Coronation Insurance Plc

Consolidated and Separate Financial Statements for

the year ended 31 December 2020

Together with Directors' and Auditor's Reports

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Corporate information

Corporate Office	Coronation Insurance PLC 119, Awolowo Road, Ikoyi P.O. Box 55508, Falomo, Ikoyi, Lagos Telephone: +234 1 277 4500/4566/4577; +234 709 982 1284/85 Email:info@coronationinsurance.com.ng Website: www.coronationinsurance.com.ng
Company Registration No:	RC 1647
Authorised and Regulated by the National Insurance Commission:	RIC No.046
FRC No:	FRC/2013/70262

Branch Information

Locations	Address	Telephone	Email
Abuja	2nd Floor, Plot 6, Jos Street, Area 3 Opposite Sharon Ultimate Hotel, Abuja FCT	(+234) (01) 2774584	Email:info@coronationinsurance.com.ng
Port-Harcourt	42B Trans Amadi Industry Layout, Port Harcourt, Rivers State.	(+234) (01) 2774582	Email:info@coronationinsurance.com.ng
Benin	Benin, Edo State.	(+234) (01) 2774585	Email:info@coronationinsurance.com.ng
Enugu	Plot 7 Ebeano Layout, Garden Avenue, Enugu Enugu State.	(+234) (01) 2774583	Email:info@coronationinsurance.com.ng
Ibadan	Access Bank Building, Beside Tantalizers, Ring Road, Ibadan, Oyo State.	(+234) (01) 2774581	Email:info@coronationinsurance.com.ng
Kano	12 B Post Office Road, Kano State		Email:info@coronationinsurance.com.ng

Our Subsidiaries	Coronation Life Assurance Limited	119 Awolowo Road, Ikoyi, P.O. Box 55508, Falomo-Ikoyi, Lagos, Nigeria.
	Coronation Insurance Ghana Ltd	35 Aviation Road, PMB 163, KIA, Airport Residential Accra, Ghana.
Our Associate Companies	Coronation Merchant Bank Limited	10, Amodu Ojikutu Street, Victoria Island, Lagos
	Coronation Securities Limited	10, Amodu Ojikutu Street, Victoria Island, Lagos

Independent Auditor:	Ernst & Young 10th &13th Floor, UBA House 57 Marina Lagos, Nigeria +234 (01) 63 14500 services@ng.ey.com
Registrar:	United Securities Limited 9, Amodu Ojikutu Street Victoria Island, Lagos + 234 1 730891 +234 1 730898 www.unitedsecuritieslimited.com
Bankers:	Access Bank Plc Guaranty Trust Bank Plc First Bank of Nigeria Limited Fidelity Bank Plc Coronation Merchant Bank Limited Sterling Bank Plc Union Bank Plc United Bank for Africa Plc Stanbic IBTC Bank Heritage Bank FCMB Bank
Re-Insurers:	African Reinsurance Corporation Continental Reinsurance Plc Munich Reinsurance Company Limited Swiss Reinsurance Group Waica Reinsurance Corporation
Actuaries	QED Actuaries FRC2018/00000012293
Estate Surveyor and Valuer	Azuka Iheabunike and Partners FRC/2012/NIESV/00000002206 Bode Adedeji and Partnership FRC/2013/NIESV/00000001479

Directors' report

For the year ended 31 December 2020

The Directors are pleased to present their report on the affairs of Coronation Insurance Plc (the "Company"), together with its subsidiaries (the "Group"), as well as the Company's Audited Financial Statements and the Auditor's Report for the Year Ended 31 December 2020.

Legal form and principal activity

The Company was incorporated on 14 March 1958 as a private limited liability Company under the name of West African Provincial Insurance Company Limited and was converted to a public limited liability company on the 31st day of August 1990 when the Company's shares were listed on the Nigerian Stock Exchange. The Company was issued a life insurance license by the National Insurance Commission (NAICOM) in the year 2000 and became a composite insurance business offering general and life insurance until March 1st 2007 when, in furtherance of the objective of complying with the requirements of the National Insurance Commission, the Company established Coronation Life Assurance Limited as a wholly owned Subsidiary to which it transferred the related life assets and liabilities.

The Company became a Subsidiary of Access Bank Plc in 2011 and was subsequently divested to enable compliance by the Bank with the Central Bank of Nigeria (CBN) Regulation on the Scope of Banking Activities and other Ancillary Matters on the permitted activities of Commercial Banks with International Authorization. Following receipt of requisite approvals thereon, the Company changed its name to Coronation Insurance Plc with effect from August 12, 2020. This name change provides a stronger and more relevant brand identity that appropriately encapsulates the Company's present philosophy, value proposition and business aspirations

The Company's principal activities include underwriting the various classes of general insurance businesses such as general accident, fire, motor, engineering, marine insurance aviation, oil & gas and other special risks.

In addition to its Life Subsidiary - Coronation Life Assurance Limited, the Company also has an International Subsidiary - Coronation Insurance Ghana Ltd which was established on 21 January 2008, and two associate companies - Coronation Merchant Bank Limited and Coronation Securities Limited.

The financial results of the subsidiaries have been consolidated in these financial statements.

Operating results

Highlights of the Group's operating results for the year are as follows:

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Gross premium written	16,185,896	15,201,362	11,636,903	10,709,420
Profit/(loss) before tax	1,145,209	23,625	115,316	(533,049)
Income tax	56,951	190,702	100,176	224,067
Profit/(loss) after tax for the year	1,202,159	214,327	215,492	(308,981)
Transfer to contingency reserve	(479,115)	(395,994)	(349,107)	(321,283)
Basic earnings / (loss) per share (kobo)	7	2	1	(2)

Directors and their interests

The Directors who served during the year together with their direct and indirect interests in the issued share capital of the Company as recorded in the Register of Directors' Shareholding and as notified by the Directors in accordance with the provisions of the Companies and Allied Matters Act 2020 and listing requirements of the Nigerian Stock Exchange are noted below:

Number of Ordinary Shares of 50k each held as at	31 December 2020		31-Dec-19	
Name of Director	**Direct**	**Indirect**	**Direct**	**Indirect**
Mr. Mutiu Sunmonu (Chairman)	-	-	-	-
Mr. Adamu Mahmoud Atta	7,471,883	-	7,471,883	-
Ms. Chizoba Ufoeze	41,289,000	-	41,289,000	-
Mr. Olusegun Ogbonnewo	1,551,031	-	1,551,031	-
Mrs. Titilayo Osuntoki	-	-	-	-
Mrs. Omosalewa Fajobi	-	-	-	-
Mr. Abubakar Jimoh	-	-	-	-
Mrs. Adeyinka Adekoya	499,999	-	499,999	-
Mr. Peter Ehimhen	-	-	-	-

Directors' interest in contracts

There was no declaration of interest from any Director in respect of vendors to the Company in accordance with the provisions of the Companies and Allied Matters Act 2020.

Analysis of shareholders

The shareholding pattern of the Company as at December 31st 2020 is as stated below:

31 December 2020

Range	Number of Shareholders	No. of shares held	% of number of shareholders	% of number of shares held
1-1,000	652,046	128,391,705	79.21	0.54
1001-5000	124,089	265,822,485	15.07	1.11
5001-10000	21,463	155,671,954	2.61	0.65
10001-50000	20,041	411,209,567	2.43	1.71
50001-100000	2,597	179,273,333	0.32	0.75
100001-500000	2,226	451,298,186	0.27	1.88
500001-1000000	320	230,056,813	0.04	0.96
1000001-5000000	334	637,734,404	0.04	2.66
5000001-10000000	52	351,999,528	0.01	1.47
10000001-50000000	44	926,648,363	0.01	3.86
50000001-100000000	9	676,646,514	0.00	2.82
100000001-500,000,000	7	1,188,168,158	0.00	4.95
500000001-1,000,000,000	2	1,321,119,744	0.00	5.51
1000000001-5,000,000,000	2	2,261,492,220	0.00	9.43
5000000001-100,000,000,000	2	14,806,371,018	0.00	61.71
	823,234	**23,991,903,992**	**100.00**	**100.00**

The shareholding pattern of the Company as at December 31st 2019 is as stated below:

31 December 2019

Range	Number of Shareholders	No. of shares held	% of number of shareholders	% of number of shares held
1-1,000	654,561	128,777,700	79.06	0.96
1,001-5,000	125,367	268,797,504	15.14	2.01
5,001-10,000	21,838	158,440,113	2.64	1.18
10,001-50,000	20,480	420,431,904	2.47	3.14
50,001-100,000	2,658	182,944,574	0.32	1.37
10,001-500,000	2,225	451,331,586	0.27	3.37
500,0001-1,000,000	320	227,807,876	0.04	1.70
1,000,001-5,000,000	407	758,726,049	0.05	5.67
5,000,001-10,000,000	61	409,075,214	0.01	3.06
10,000,001-100,000,000	62	10,376,405,728	0	78
	827,979	**13,382,738,248**	**100**	**100**

Substantial Interest in Shares

According to the register of members as at 31 December 2020, the underlisted shareholders held more than 5% of the issued share capital of the Company as follows:

	Number of shares 2020	Percentage holding 2020	Number of shares 2019	Percentage holding 2019
Coronation Capital (Mauritius) Limited	9,794,561,952	41	3,569,825,562	27
Reunion Energy Limited - MAIN	5,011,809,066	21	2,313,142,646	17
Coronation Asset Management	1,242,456,657	5	573,441,534	4
Total	**16,048,827,675**	**67**	**6,456,409,742**	**48**

Acquisition of own shares

The Company did not purchase any of its own shares during the year (2019: Nil).

Donations

The Company identifies with the aspirations of the community and the environment in which it operates. The Company made contributions to charitable and non-charitable organizations amounting to N35,120,000.00 (December 2019:N4,638,000) during the period, as listed below:

Beneficiary	**Purpose**	**Amount**
Nigerian Insurers Association	Support towards Government efforts in containing the Covid-19 pandemic	30,000,000
Lagos Polo Club	Sponsorship of the silver cup 2020	5,120,000

Property and Equipment
Information relating to changes in property and equipment is given in Note 18 to the financial statements. In the Directors' opinion the fair value of the Group's property and equipment is not less than the carrying value in the financial statements.

Human Resources
1. Report on Diversity in Employment

The Company operates a non-discriminatory policy in the consideration of applications for employment. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels, irrespective of an applicant's state of origin, ethnicity, religion, gender or physical condition.

We believe diversity and inclusiveness are powerful drivers of competitive advantage in understanding the needs of our customers and creatively developing solutions to address them.

	2020	**2020**	**2019**	**2019**
Composition of Employees	Number	Percentage	Number	Percentage
Female	38	48%	36	43%
Male	41	52%	48	57%
Total	79		84	
Board Composition by Gender				
Female	4	44%	3	30%
Male	5	56%	7	70%
Total	9		10	
Top Management (Executive Director to CEO)				
Female	1	50%	1	25%
Male	1	50%	3	75%
Total	2		4	
Top Management (AGM to Divisional Head)				
Female	1	25%	1	20%
Male	3	75%	4	80%
Total	4		5	

2. Employment of disabled persons
In the event of any employee becoming disabled in the course of employment, the Company will endeavour to arrange appropriate training to ensure the continuous employment of such a person without subjecting the employee to any disadvantage in career development.

3. Health, safety and welfare of employees
The Company maintains business premises designed to guarantee the safety and healthy living conditions of both its employees and customers. Employees are adquately insured against occupational and other hazards.

The Company has fire prevention and fire fighting equipment installed in strategic locations within it's premises.

The Company operates a Group Personal Accident, Third Party Liability Insurance and Professional Indemnity for the benefit of its employees.

The Company also operates a contributory pension plan in line with the Pension Reform Act as amended and the Nigeria Social Insurance Trust Fund in line with the Employees Compensation Act 2010 and other benefit schemes for its employees.

4. Employee involvement and training
The Company encourages participation of employees in arriving at decisions in respect of matters affecting their wellbeing. Consequently, the Company provides opportunities where employees deliberate on issues affecting the Company and employee interests to enable the employees make inputs on those decisions. The Company places a high premium on the development of its manpower and sponsors its employees for training courses.

5. Statement of Commitment to Maintain Positive Work Environment
The Company shall strive to maintain a positive work environment that is consistent with best practice to ensure that business is conducted in a positive and professional manner and to ensure that equal opportunity is given to all qualified members of the Company's operating environment.

Audit Committee

Pursuant to Section 404(3) of the Companies and Allied Matters Act, 2020, the Company has a Statutory Audit Committee comprising three shareholders and three Directors as follows:

Mr. Abubakar Jimoh	Director	Chairman
Mr. Chinwendu Achara	Shareholder	Member
Mr. Adeniyi Adebisi	Shareholder	Member
Mrs. Mary Joke Shofolahan	Shareholder	Member
Ms. Chizoba Ufoeze	Director	Member
Mrs. Titilayo Osuntoki	Director	Member

The functions of the Audit Committee are as provided in Section 404(7) of the Companies and Allied Matters Act, 2020.

Auditors

Auditors: Messrs. Ernst & Young was appointed as the External Auditor of the Company by the ordinary resolution of shareholders passed during the 61st Annual General Meeting held on August 12, 2020.

BY ORDER OF THE BOARD

119, Awolowo Road,
Ikoyi
Lagos

Mary Agha
Company Secretary
FRC/2013/NBA/00000002817
22 April 2021

Corporate Governance Report for Year Ended 31 December 2020

Coronation Insurance Plc remains committed to best practice in all areas of corporate governance. The Company has therefore put in place a corporate governance system that ensures on-going compliance with the Company's governance charters and the relevant codes of corporate governance as well as the post listing requirements of the Nigerian Stock Exchange where the Company's securities are listed. The Company's policies and processes are regularly reviewed and updated in line with the changes in the operating environment and global best practices.

At Coronation Insurance Plc we maintain high ethical standards and our governance is founded on key pillars of accountability, responsibility, discipline, fairness, independence and transparency in all our dealings.

The Company and its subsidiaries ('the Group') function under a governance frame work that enables the Board to discharge its role of providing oversight and strategic direction in balance with its responsibility to ensure the Company's compliance with regulatory requirements and acceptable risk. The governance framework of the Subsidiaries are aligned with the governance framework of the Company subject to compliance with the statutory and regulatory requirements specifically guiding the operations of the Subsidiaries.

Appointment Process for Board Members

The Board has established a formal process for the selection of new directors to ensure the transparency of the nomination process. The appointment process is documented in the Group's Fit and Proper Person Policy. The Company's Fit and Proper Person Policy is designed to ensure that the Company and it's Subsidiaries are managed and overseen by competent, capable and trustworthy individuals. In making Board appointments, the Board takes into cognizance the knowledge, skill and experience of a potential director as well as other attributes considered necessary for the role. The Board also considers the need for appropriate demographic and gender representation. Candidates are subjected to enhanced due diligence enquiries as required by extant regulations.

The appointment process is led by the Board Establishment and Remuneration Committee that has the responsibility for recommending new appointments to the Board of both Executive and Non-Executive Directors as well as for succession planning of the Board. When making Board appointment recommendations, the Committee takes cognizance of the existing range of skills, experience, background and diversity on the Board in the context of the Company's strategic direction before articulating the specification for the candidate sought.

The Committee identifies candidates for appointment as director in consultation with the Chairman, Managing Director and/or any other director, or through the use of search firms or such other methods as the Committee deems helpful to identify candidates. Once candidates have been identified the Committee shall confirm that the candidates meet the minimum qualifications for director nominees set forth in the policy and relevant statutes and regulations. The Committee may gather information about the candidates through interviews, questionnaires, enhanced due diligence checks or any other means that the Committee deems helpful in the evaluation process. The Committee meets to discuss and evaluate the qualities and skills of each candidate, taking into consideration the overall composition and needs of the Board. Based on the results of the evaluation process, the Committee recommends candidates to the Board for appointment as director subject to the approval of shareholders and the National Insurance Commission.

We are comfortable that our Board is sufficiently diversified to optimize its performance.

Retirement, Election and Re-election of Directors

Changes occured on the Board of Directors in the 2020 Financial Year in line with the Board Succession Plan. Mr. Aigboje Aig-Imoukhuede retired as the Chairman of the Board of Directors with effect from April 27, 2020 after 8-years of meritorous and dligent service and Mr. Mutiu Sunmonu was appointed as the new Board Chairman. Mr. Barnabas also retired with effect from December 31, 2020 after 9-years of meritorious service to the Board. Also during the 2020 Financial Year, Mr. Bababode Osunkoya and Mrs. Ifeyinwa Osime resigned their appointments on the Board of Directors with effect from August 18, 2020. The resignations were to enable Mr. Bababode Osunkoya and Mrs. Ifeyinwa Osime adequately focus on their roles as the Chairman Board of Directors and Independent Non-Executive Director respectively on the Board of Directors of Coronation Life Assurance Plc. The Board commends the Directors for their valuable contributions to the Comapny and wishes them success in their future endeavours. In accordance with the Company's Articles of Association, Mr. Olusegun Ogbonnewo retired at the Company's 61sh Annual General Meeting held on August 12, 2020 and being eligible was duly re-elected by shareholders. The Board confirms that following a formal evaluation, Mr. Olusegun Ogbonnewo continued in 2020 to demonstrate commitment to their role as Non-Executive Director and Independent Non-Executive Director respectively. The Shareholders also elected Mrs. Titilayo Osuntoki and Mrs. Omosalewa Fajobi as independent Non-Executive Director and Non-Executive Director respectively and we are pleased to report that the approval of NAICOM has been obtained with respect to the appointments.

In accordance with the Company's Memorandum and Articles of Association as well as Section 273 of the Companies and Allied Matters Act

(CAMA), 2020, one-third of all Non-executive Directors (rounded down) are offered for re-election every year (depending on their tenure on the Board) together with Directors appointed by the Board since the last Annual General Meeting. In keeping with this requirement, Mr. Adamu Atta and Ms. Chizoba Ufoeze will retire during this Annual General Meeting and being eligible, will submit themselves for re-election. The Board is convinced that the Directors standing for re-election will continue to add value to the Company. The Board believes that these Directors are required to maintain the balance of skills, knowledge and experience on the Board.

Directors Induction

The Board believes that a robust induction as well as regular training and education of Board members on issues pertaining to their oversight functions will improve Director's performance. Regarding new Directors, there is a personalized induction program which includes one-on-one meetings with Executive Directors and Senior Management responsible for the Company's key business areas. Such sessions focus on the challenges, opportunities and risks facing the business areas. The induction program covers an overview of the Strategic Business Units as well as the Board processes and policies. A new Director receives an induction pack which includes charters of the various Board Committees, significant reports, important legislation and policies, minutes of previous Board Meetings and a Calendar of Board Activities. Directors are also required to participate in periodic, relevant continuing professional development programs to update their knowledge.

Performance Monitoring and Evaluation

The Board, in the discharge of its oversight function continuously engages with Management and contributes ideas to the planning and execution of the Group's strategy. Management provides the Board with regular updates on the implementation of the strategy, affording the Board the opportunity to critique and assess significant issues, risks or challenges encountered in the course of the strategy implementation and the steps taken to mitigate the risks. Management's report on the Group's actual Financial Performance is presented relative to the planned budget to enable the Board assess the level of achievement. Peer Comparison is also a crucial component of Management reporting to the Board to benchmark performance against that of our competitors.

The Company’s performance on Corporate Governance is continuously being monitored and reported. Regular reviews are carried out on the Company’s compliance status with the NAICOM Code of Corporate Governance for the Insurance Industry in Nigeria, the SEC Code of Corporate Governance, and the NSE Post Listing Requirements as well as on the Company's compliance status with the various regulatory circulars and guidelines and regulatory returns are filed thereon.

The evaluation was a 360 degree on-line survey covering directors' self assessment, peer assessment and evaluation of the Board and the Board Committees, the effectiveness of the Independent Directors against the regulatory guidelines on Independent Directors of Insurance Companies, as well as the Board's structure and composition, processes, relationships competencies, roles and responsibilities. The result of the Board performance evaluation is presented to the Board and the individual director’s assessment is communicated and discussed with the Chairman. The result confirmed that the individual Directors and the Board continue to operate at a high level of effectiveness and efficiency. The result also showed that the Company's corporate governance practices were in compliance with the provisions of the NAICOM and SEC Codes of Corporate Governance. In line with the NAICOM Code of Corporate Governance, the summary of the Annual Board Performance Report for the 2019 Financial Year was presented to the shareholders at the Annual General Meeting of the Company held on August 12, 2020.

Shareholder Engagement

The Board recognizes the importance of ensuring the flow of complete, adequate and timely information to shareholders to enable them make informed decisions. The Company is committed to maintaining high standards of corporate disclosure. Shareholders meetings are duly convened and held in an open manner in line with the Company’s Articles of Association and existing statutory and regulatory regimes, for the purpose of deliberating on issues affecting the Company’s strategic direction. The Company's General Meetings serve as a medium for promoting interaction between the Board, Management and Shareholders. Attendance at the Annual General Meeting is open to shareholders or their proxies, while proceedings at such meetings are usually monitored by members of the press, representatives of the Nigerian Stock Exchange, the National Insurance Commission and the Securities and Exchange Commission. The Board ensures that shareholders are provided with adequate notice of meetings. An Extraordinary General Meeting may also be convened at the request of the Board or Shareholders holding not less than 10% of the Company’s paid-up capital.

Shareholders Rights Protection

The Company has a comprehensive Investors Communication and Disclosure Policy in accordance with which the Board and Management ensure that the Company's communication with the investing public about the Company and its subsidiaries is timely, factual. broadly disseminated and accurate and in accordance with all applicable legal and regulatory requirements. The Company's reports and communication to shareholders and other stakeholders are in plain, readable and understandable format. The Company's website - **www.coronationinsurance.com.ng** is regularly updated with both financial and non-financial information.

The Company has a dedicated Investor Relations Unit which focuses on facilitating communication with shareholders and analysts on a regular basis and addressing their enquiries and concerns. Investors and stakeholders are frequently provided with information about the Company through various channels such as quarterly Investor Conference Calls, the General Meetings, the Company's website, as well as the Annual Report and Accounts.
The Board ensures that shareholders statutory and general rights are protected at all times, particularly their right to vote at general meetings. The Board also ensures that all shareholders are treated equally regardless of the size of their shareholding and social conditions. Our Shareholders are encouraged to share in the responsibility of sustaining the Company's corporate values by exercising their rights as protected by law.

Access to Information and Resources

Executive Management recognizes the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them make informed decisions in the discharge of their responsibilities. There is ongoing engagement between Executive Management and the Board, and the Heads of relevant Strategic Business Units attend Board meetings to make presentations. The Company’s External Auditors attend the Board, the Board Audit and Compliance Committee and the Statutory Audit Committee Meetings to make presentations on the audit of the Company's Financial Statements. The Directors have unrestricted access to the Group Management and Company information in addition to the resources to carry out their responsibilities. This includes access to external professional advice at the Company’s expense as provided by the Board and Board Committee Charters.

The Board

The primary function of the Board of Directors is to advance the prosperity of the Company by collectively directing the Company’s affairs, whilst meeting the appropriate interests of shareholders and stakeholders. The Board has the overall responsibility for reviewing the strategic plans and performance objective, financial performance review and corporate governance practices of the Company. The Board is the Company’s highest decision making body responsible for governance. It operates on the understanding that sound governance practices are fundamental to earning the trust of stakeholders which is critical to sustainable growth.

Composition and Role

Composition of the Board

The Board composition is in line with the provisions of S.5.04 (ii) of the NAICOM Code of Corporate Governance for Insurance Companies in Nigeria and the Board is currently comprised of nine (9) members made up of seven (7) Non-Executive Directors and two (2) Executive Directors. Two of the Non-Executive Directors are Independents and meet the criteria set by the SEC and NAICOM Codes of Corporate Governance on Independent Directors. The full details of the Board Composition and their roles are as set out below:

S/N	Name	Gender	Designation
1	Mr. Mutiu Sunmonu	Male	Chairman
2	Mr. Adamu Mahmoud Atta	Male	Non-Executive Director
3	Ms. Chizoba Ufoeze	Female	Non-Executive Director
4	Mr. Olusegun Ogbonnewo	Male	Non-Executive Director
5	Mrs. Titilayo Osuntoki	Female	Independent Non-Executive Director
6	Mrs. Omosalewa Fajobi	Female	Non-Executive Director
7	Mr. Abubakar Jimoh	Male	Independent Non-Executive Director
8	Mrs. Adeyinka Adekoya	Female	Managing Director
9	Mr. Peter Ehimhen	Male	Executive Director Technical/Operations

Company Secretary: Ms. Mary Agha

The Board is able to reach impartial decisions as its Non-Executive Directors are a blend of Independent and Non-Independent directors with no shadow or alternate Directors, which ensures that independent thought, is brought to bear on decisions of the Board. The effectiveness of the Board derives from the diverse range of skills and competences of the Executive and Non-Executive directors who have exceptional degrees of insurance, financial and broader entrepreneurial experiences.

Role of the Board

The principal responsibility of the Board is to promote the long-term success of the Group by creating and delivering sustainable shareholder value. The Board leads and provides direction for the Management by setting policy direction and strategy and by overseeing their implementation. The Board seeks to ensure that Management delivers on both its long term growth and short term objectives, striking the right balance between both goals. In setting and monitoring the execution of the Group Strategy, consideration is given to the impact that those decisions will have on the Group's obligations to various stakeholders, such as shareholders, employees, suppliers and the community in which the Group operates as a whole.

The Board is responsible for ensuring that robust systems of internal controls are maintained and that Management maintains an effective risk management and oversight process across the Group so that growth is delivered in a controlled and sustainable way. In addition the Board is responsible for determining and promoting the collective vision of the Group's purpose, values, culture and behavior.

The Board is accountable to the shareholders and is responsible for the management of the Company's relationship with its various stakeholders. The Board ensures that the activities of the Company are at all times executed within the relevant regulatory framework. The Board Charter is comprised of a set of principles that have been adopted by the Board as a definitive statement of Corporate Governance.

In carrying out its functions, matters reserved for the Board inlcude but are not limited to:

• Defining the Company's business strategy and objectives,
• Formulating risk policies
• Approval of quarterly, half yearly and full year financial statements
• Approval of significant changes in accounting policies and practices
• Appointment or removal of Directors and Company Secretary
• Approval of major acquisitions, divestments of operating companies, disposal of capital assets or capital expenditure
• Approval of charter and membership of Board Committee
• Setting of annual board objectives and goals
• Approval of allotment of shares
• Approval of remuneration of auditors and recommendation for appointment or removal of auditors
• Succession Planning for key positions
• Approval of the corporate strategy, medium term and short term plans
• Monitoring delivery of the strategy and performance against plan
• Approval of the framework for determining the policy and specific remuneration of executive directors
• Review and monitoring of the performance of the Managing Director and the executive team
• Ensuring the maintenance of ethical standards and compliance with relevant laws.
• Performance appraisal and compensation of Board members and senior executives
• Ensuring effective communication with shareholders
• Ensuring the integrity of financial reports

The Role of the Board Chairman

The principal role of the Board Chairman is to provide leadership and direction to the Board. In line with best practice and in accordance with the provisions of all the Codes of Corporate Governance by which the Company is governed, the roles of the Chairman and Managing Director are assumed by different individuals and there is a separation of powers and functions between the Chairman and the Managing Director. More specifically, the duties and responsibilities of the Board Chairman are as follows

*Primarily responsible for the effective operation of the Board and ensures that the Board works towards achieving the Company's strategic objectives
*Setting the agenda for Board Meetings in conjunction with the Managing Director and the Company Secretary
*Approval of the Annual Calendar of Board Activities
*Playing a leading role in ensuring that the Board and its Committees have the relevant skills, competencies for their job roles.
*Ensuring that the Board Meetings are properly conducted and that the Board is effective and functions in a cohesive manner
*Ensuring that the Directors focus on their key responsibilities and play constructive roles in the affairs of the Company
*Ensuring that the Directors receive accurate and clear information about the affairs of the Company in a timely manner to enable them take sound decisions
*Acting as the main link between the Board and the Managing Director as well as advising the Managing Director on the effective discharge of duties
*Ensuring that induction programs are conducted for new Directors and continuing education programs are in place for all Directors

*Taking a leading role in the assessment, improvement and development of the Board
*Presiding over General Meetings of shareholders
*Ensuring effective communication with the Company's institutional shareholders and strategic stakeholders

The Role of the Managing Director

The Managing Director has the overall responsibility for leading the development and execution of the Company's long-term strategy, with a view to creating sustainable shareholder value. The Managing Director manages the day-to-day operations of the Company and ensures that operations are consistent with the policies approved by the Board. Specifically, the duties and responsibilities of the Managing Director include the following:

*Acts as head of the Management Team and is answerable to the Board
*Responsible for ensuring that a culture of integrity and legal compliance is imbibed by personel at all levels of the Company
*Responsible for the consistent achievement of the Company's financial objectives and goals

*Ensures that the allocation of capital reflects the Company's risk management philosophy
*Ensures that the Company's risks are controlled and managed effectively,optimally and in line with the Company's strategies and objectives
*Ensures that the Directors are provided with sufficient information to support their decision making

Role of the Company Secretary
Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for among other things ensuring that Board procedures are observed and that the Company's Memorandum and Articles Association and other rules and regulations are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes with a view to enhancing long-term shareholder value. The Company Secretary assists the Chairman in ensuring good information flow within the Board and its Committees and between Management and Non-Executive Directors. The Company Secretary also facilitates the orientation of new Directors and coordinates their professional development.

As the primary compliance officer for the Company's compliance with the listing rules of the Nigerian Stock Exchange, the Company Secretary is responsible for designing and implementing a framework for the Company's compliance with the listing rules, including advising Management on prompt disclosure of material information.

The Company Secretary attends and prepares the minutes for all Board meetings. As secretary of all board committees she assists in ensuring coordination and liaison between the Board, the Board Committees and Management. The Company Secretary also assists in the development of the agendas for the various Board and Board Committee meetings.

The appointment and removal of the Company Secretary are subject to the Board's approval.

Delegation and Authority
The ultimate responsibility for the Company's operations rests with the Board. The Board retains effective control through a well-developed Committee governance structure that provides in-depth focus on Board responsibilities. Each Board Committee has a written charter and presents quarterly reports to the Board on its activities. The Board delegates authority to the Managing Director and the Executive Management to manage the affairs of the Company within the parameters established by the Board from time to time.

Board Meetings
The Board meets quarterly and emergency meetings are convened as may be required. The Annual Calendar of Board and Board Committee meetings are approved in advance during the last quarter of the preceding financial year and all Directors are expected to attend each meeting. Material decisions may be taken between meetings through written resolutions as provided for by the Company's Articles of Association. The Annual Calendar of Board activities include a Board Retreat at an offsite location, to consider strategic matters and review the opportunities and challenges facing the institution. All Directors are provided with Notices, Agenda and meeting papers in advance of each meeting and where a Director is unable to attend a meeting he/she is still provided with the relevant papers for the meeting. Such Director reserves the right to discuss with the Chairman any matter he/she may wish to raise at the meeting. The Directors are also provided with regular updates on developments in the regulatory and business environment. The Board met 4 times durng the period under review. The Board channeled considerable time and effort in discussing the 2020 budget, review the extent of implementation of the 2019-2023 strategic plan, take steps towards ensuring that the Company and its Subsidiaries are well positioned to meet the new regulatory minimum capital requirement, review and approve policies as well as approve the management accounts and full year audited financial statement. The Board also uses a secure electronic portal for the circulation of Board papers to members. This underscores the commitment of the Board to embrace environment sustainability by reducing paper usage.

Board Committees

The Board carries out its oversight function through its standing committees each of which has a charter that clearly defines its purpose, composition, and structure, frequency of meetings, duties, tenure and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the committees. In line with the NAICOM Corporate Governance Guidelines, the Board's standing committees are; the Board Enterprise Risk Management Committee, the Board Audit and Compliance Committee, the Board Establishment and Remuneration Committee, the Board Finance, Investment and General Purpose Committee and the Board Information Technology Committee. The Board accepts that while the various Board Committees have the authority to examine a particular issue and report back to the Board with their decisions and/or recommendations, the ultimate responsibilities on all matters lies with the Board. The composition and responsibilities of the Committees are set out below:

S/N	Director	BACC	BERMC	BFIC	BERC	BITC
1	Mr. Mutiu Sunmonu[1]	-	-	-	-	-
2	Mr. Adamu Mahmoud Atta[1]	-	M	M	C	-
3	Mr. Barnabas Olise[1*]	C	M	M	-	C
4	Ms. Chizoba Ufoeze[1]	M	M	C	M	-
5	Mr. Olusegun Ogbonnewo[1]	-	M	M	M	C

6	Mrs. Titilayo Osuntoki[3]	M	C	M	M	-
7	Mrs. Omosalewa Fajobi[1]	M	M	M	-	-
8	Mr. Abubakar Jimoh[3**]	C	M	M	-	M
9	Mrs. Adeyinka Adekoya[2]	-	M	M	-	M
10	Mr. Peter Ehimhen[2]	-	M	M	-	-

*Key

C	Chairman of Committee
M	Member
-	Not a member
1	Non-Executive
2	Executive
3	Independent
*	Retired effective December 31, 2020
**	Appointed effective March 4, 2021
BACC	Board Audit and Compliance Committee
BERMC	Board Enterprise Risk Management Committee
BFIC	Board Finance, Investment and General Purpose Committee
BERC	Board Establishment and Remuneration Committee
BITC	Board Information Technology Committee

Board Audit and Compliance Committee

The Committee supports the Board in performing its oversight responsibility relating to the integrity of the Company's financial statements and the financial reporting process; the independence and performance of the Company's internal and external auditors; and the Company's system of internal control and mechanism for receiving complaints regarding the Company's accounting and operating procedures. The Committee also monitors the status of the Company's internal and regulatory compliance. The Company's Chief Internal Auditor and Chief Compliance Officer have access to the Committee and make quarterly presentations to the Committee. The Company's External Auditors also periodically meet with the Committee

Key issues considered by the Committee during the period included the review of the status of compliance with internal policies and regulatory requirements, review and recommendation of Full Year Audited Financial Statements, review of reports of the Chief Internal Auditor and Internal Audit Consultants, the review of the whistle-blowing reports as well as the approval of the Internal Audit and Internal Control and Compliance Plans. The Committee met four (4) times in the 2020 financial year.

The Committee is chaired by Mr. Abubakar Jimoh who is a finance graduate from the University of Lagos. He is a Fellow of the Institute of Chartered Accountants of Nigeria and the Chartered Institute of Bankers. He is also a Chartered Financial Analyst, Financial Risk Manager as well as a Certified General Accountant and Certitfied Internal Auditor.

Board Enterprise Risk Management and Governance Committee

The Committee supports the Board in performing its oversight responsibility relating to corporate governance, establishment of policies, standards and guidelines for risk management, and compliance with legal and regulatory requirements. In addition, it oversees the establishment of a formal written policy on the overall risk management system. The Committee also ensures compliance with established policies through periodic reviews of reports provided by management and ensures the appointment of qualified officers to manage the risk function. The Committee evaluates the Company's risk policies on a periodic basis to accommodate major changes in the internal or external environment.

The key issues considered by the Committee during the period included recommendation by the Committee of some policies to the Board for approval and received risk reports from all the risk areas of the Company. The Committee also monitored the status of the Company's compliance with relevant regulatory policies, evaluated the nature and effectiveness of action plans implemented to address identified compliance weaknesses. The Committee met four (4) times in the 2020 financial year.

The Committee is chaired by Mrs. Titilayo Osuntoki who holds a Second Class Upper Degree in Civil Engineering and a Master in Business Administration from the University of Lagos. She has over 30 years professional experience in the financial sector cutting across treasury/currency trading, financial control, risk management as well as corporate finance and relationship management.

Board Establishment and Remuneration Committee

The Committee advises the Board on its oversight responsibilities in relation to human resource matters affecting the Directors and employees of the Company. Specifically, the Committee is responsible for determining and executing the processes for board appointments, recommending appropriate remuneration for directors (both executive and non-executive) and approving remuneration for all other members of staff. The Committee is responsible for reviewing and recommending the Company's organizational structure to the Board for approval. The Committee is also responsible for reviewing the performance and effectiveness of the Board of the Company's subsidiaries on an annual basis. The Committee ensures that the Company's human resources are maximized to support the long term success of the enterprise and to protect the welfare of all employees.

The key decision and initiatives of the Committee in 2020 included review and recommendation of human resources policies to the Board for approval and consideration of quarterly reports on human resources. The Committee met four (4) times during the period.

The Committee is chaired by Mr. Adamu Atta. Mr. Atta holds a B.A in International Relations and Economics and an MA in Development Economics from the United States International University and the University of California respectively. He also has a Masters in Political Economics from Ahmadu Bello University, Zaria. Mr. Atta has over two decades experience in financial management and consulting.

Board Finance, Investment and General Purpose Committee

The Committee advises the Board on its oversight responsibilities in relation to the Company's general investments and provides strategic guidance for the development and achievement of the Company's investment objectives. The Committee therefore works with Management to review the quality of the Company's investment portfolio and the trends affecting the portfolio, overseeing the effectiveness and administration of investment related policies including compliance with legal investment limits and the Company's in-house investment restrictions, reviewing the process for determining provision for investment losses and the adequacy of the provisions made as well as providing oversight and guidance to the Company regarding all aspects of implementing the NAICOM Guidelines and compliance with other regulatory Risk based supervision framework.

Key issues considered by the Committee included review of the financial control report and investment report, approval of the annual budget as well as the capital and operating expenses of the company, quarterly review of budget utilization against the actual plan, quarterly review of rights issue utilization, review of the unaudited financial statement, approval of the investment portfolio and risk appetite, oversight of the Company's investment portfolio and related risk management processes, continued monitoring of the Company's compliance with relevant regulatory and internal investment policies with respect to the Company's investment portfolio, approval of investment limits as well as investment exceptions where necessary. The Committee met five (5) times during the period.

The Committee is chaired by Ms. Chizoba Ufoeze. Ms. Chizoba Ufoeze is a graduate of University of Nigeria Nsukka and has an MSc in Investment Management from the City University Business School London, and an MBA from the Middlesex University Business School, London. Ms. Ufoeze is an Investment Analyst with over 23 years' experience in the financial services industry.

Board Information Technology Committee

The Committee assists the Board in fulfilling its governance and oversight responsibilities relating to development, periodic review and implementation of the Company's Information Technology strategy, monitoring the Company's investments and operations in relation to technology and information systems, ensuring that the Company's technology initiatives are consistent with the Company's overall corporate strategy and performing such other related functions as may be assigned to the Committee by the Board of Directors.

Key issues considered by the Committee included monitoring and ensuring the successful implementation of the Company's new core insurance application, quarterly review of the information technology report, review of the technical functionality and system report, quarterly review of the IT budget utilization against the actual plan, quarterly review of the internal audit and control report and consideration of status report on the core insurance application. The Committee met four (4) times during the period.

The Committee is chaired by Mr. Barnabas Olise. Mr. Olise studied and graduated with Bachelors (B.SC. Hons) in Mathematics from the University of Ibadan. He is a Fellow of the Institute of Charted Accountants of Nigeria (ICAN) and has over 20years professional experience in Auditing and Consulting. He is currently the Managing Partner/CEO Of Enterprise Value Matrix Consult (EVMC) Limited, a multidisciplinary consultancy firm established in 2010

Attendance at Board and Board Committee Meetings

Directors' attendance at meetings during the 2020 financial year was as shown below:

	NAME OF DIRECTORS		MEETING						
S/N	Director		BoD		BACC	BERMC	BFIC	BEGPC	BITC

	Number of Meetings Held	4	4	4	5	4	4
	Attendance:						
1	Mr. Mutiu Sunmonu						
2	Mr. Adamu Mahmoud Atta	4	N/A	N/A	N/A	N/A	N/A
3	Ms. Chizoba Ufoeze	4	N/A	4	5	4	N/A
4	Mr. Olusegun Ogbonnewo	4	4	4	5	4	N/A
5	Mrs. Titilayo Osuntoki**	4	N/A	4	5	4	4
6	Mrs. Omosalewa Fajobi**	2	1	1	2	1	N/A
7	Mr. Abubakar Jimoh*	2	1	1	2	N/A	N/A
8	Mrs. Adeyinka Adekoya	-	-	-	-	N/A	N/A
9	Mr. Peter Ehimhen	4	N/A	4	5	N/A	4

***Approved by NAICOM in July 2020*

**Approved by NAICOM March 2021*

Executive Committee

The Executive Committee (EXCO) is made up of the Managing Director as Chairman, and all the Executive Directors as members. The Committee is primarily responsible for the implementation of strategies approved by the Board and ensuring the efficient deployment of the Company's resources.

Management Committees

These are standing committees made up of the Company's Executive and Senior Management staff. The Committees are set up to identify, analyze and make recommendations on risks pertaining to the Company's day to day activities. They ensure that risk limits set by the Board and the regulatory bodies are complied with and also provide input into the various Board Committees in addition to ensuring the effective implementation of risk polices. These Committees meet as frequently as risk issues occur and take actions and decisions within the ambit of their respective powers.

The management committees include: Finance and Investment Management Committee, Underwriting and Claims Management Committee, Enterprise Risk Management Committee, Criticized Assets Committee and IT Steering Committee

Statutory Audit Committee

In compliance with the provisions of Section 404(3) of the Companies and Allied Matters Act (CAMA), 2020 which requires every public company to constitute a Statutory Audit Committee made up of equal number of Directors and Shareholders' representatives subject to a maximum of six (6) members in the Committee, Coronation Insurance Plc has constituted a Statutory Audit Committee made up of three (3) Non-Executive Directors and three (3) Shareholders. The composition of the Committee is as set out below:

1. Mr. Abubakar Jimoh	(Director)	Chairman
2. Mr. Chinwendu Achara	(Shareholder)	Member
3. Mr. Adeniyi Adebisi	(Shareholder)	Member
4. Mrs. Mary Joke Shofolahan	(Shareholder)	Member
5. Ms. Chizoba Ufoeze	(Director)	Member
6. Mrs. Titilayo Osuntoki	(Director)	Member

The Committee is constituted to ensure its independence which is fundamental to upholding stakeholders' confidence in the reliability of the Committee's report and the Company's Financial Statements. There is no Executive Director sitting on the Committee. The appointment of the Committee Chairman was to ensure compliance with the requirement that the Committee Chairman should be a professional member of an accounting body established by Act of the National Assembly in Nigeria who shall be required to attest to the Company's annual report, financial statements, accounts, financial report, returns and other documents of a financial nature.

The duties of the Committee are as enshrined in the Section 404 (3) and (7) of the Companies and Allied Matters Act (CAMA), 2020. The Committee is responsible for ensuring that the Company's financials comply with applicable financial reporting standards.

The Committee met 3 times during the 2020 financial year.

Tenure of the Statutory audit committee

The tenure of each Committee member lasts from the date of election at an Annual General Meeting till the next. The membership of the Statutory Audit Committee is renewed through a process of election and/ or re-election at the next Annual General Meeting.

Role and focus of the Statutory audit committee

The duties of the Statutory Audit Committee are as enshrined in Section 359 (3) and (4) of the Companies and Allied Matters Act (CAMA), 2020. The statutory provisions are supplemented by the provisions of the SEC Code of Corporate Governance and are highlighted below:

* Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices
* Review the scope and planning of audit requirements
* Review the findings on management matters in conjunction with the external auditor and management's response thereon
* Keep under review the effectiveness of the Company's system of accounting and internal control
* Make recommendations to the Board with regard to the appointment, removal and remuneration of the external auditors of the company, ensuring the independence and objectivity of the external auditors and that there is no conflict of interest which could impair their independent judgement
* Authorize the internal auditor to carry out investigations into any activity of the Company which may be of interest or concern to the Committee
* Assist in the oversight of the integrity of the company's financial statements and establish and develop the internal audit function

Going concern

The Directors confirm that after making appropriate enquiries they have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt going concern basis in preparing the financial statements

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External Auditors

Ernst & Young acted as the Company's External Auditors for the 2020 Financial Year. The Board confirms that the Company has complied with the regulatory requirement as enshrined in the SEC Code of Corporate Governance on the rotation of audit firm and audit partners. Ernst & Young was appointed as the Company's sole External Auditor with effect from the 2020 Financial Year and has held office for one (1) year.

Succession planning

The Company has a robust policy which is aligned with the Company's performance management process. The policy identifies key positions, for all Coronation Insurance Plc operating entities in respect of which there will be formal succession planning. The Company’s policy provides that potential candidates for positions shall be identified at the beginning of each financial year based on performance and competencies.

Code of Ethics

Coronation Insurance Plc has in place, a Code of Conduct which specifies expected behavior of its employees and Directors. The code is designed to empower employees and Directors and enable effective decision making at all levels of the business according to defined ethical principles. The Code requires that each Company employee shall read the Code and sign a confirmation that he has understood the content. In addition, there is an annual re-affirmation exercise for all employees. The Company also has a Compliance Manual which provides guidelines for addressing violations/breaches and ensuring enforcement of discipline with respect to staff conduct. The Company also has a Disciplinary Guide which provides sample offences/violations and prescribes disciplinary measures to be adopted in various cases. The Head of Human Resources is responsible for the design and implementation of the “Code of Conduct” while the Chief Compliance Officer is responsible for monitoring and ensuring compliance.

The Chief Compliance Officer issues at the commencement of each financial year, an Ethics & Compliance message to all staff within the Group. The Ethics & Compliance message reiterates the Company’s policy of total compliance with all applicable laws, regulations, corporate ethical standards and policies in the conduct of the Company’s business. The message admonishes employees to safeguard the franchise and advance its growth in a sustainable manner while ensuring compliance with relevant policies, laws and regulations.

Dealing in Company Securities

In accordance with the provisions of the Rule 17.2 of the Amendment to the Listing Rules of the Nigerian Stock Exchange, the Company has in place a policy that guides trading on the Company's securities. The Non-Dealing Period Policy prohibits Directors, members of the Audit Committee, employees and all other insiders from abusing or placing themselves under the suspicion of abusing price-sensitive information in relation to the Company's securities. In line with the policy affected persons are prohibited from trading on the company’s security during a closed period which is usually announced by the Company Secretary. The Company has put in place a mechanism for monitoring on-going compliance with the policy.

Remuneration Statement

The Report on Directors' remuneration is as set out in the Audited Financial Statements. The Group has established clear policy guidelines for the determination and administration of compensation. In line with the policy guidelines, the Company seeks to attract and retain the best talent in countries that it operates. To achieve this, the Company seeks to position itself among the best performing and best employee rewarding companies in its industry. This principle will act as a general guide for the determination of compensation. The objective of the policy is to ensure that salary structure including short and long term incentives motivate sustained high performance and are linked to corporate performance. It is also designed to ensure that stakeholders are able to make reasonable assessment of the Company's reward practices. It is the Company's policy to comply in full with all local tax policies. The Company also complies with the Pension Reform Act on the provision of retirement benefit to employees at all levels.

Total compensation provided to employees will typically include guaranteed and variable portions. Guaranteed pay will include base pay and other guaranteed portions while variable pay may be both performance based and discretionary. The Company has put in place a performance bonus scheme which seeks to attract and retain high performing employees. Awards to individuals are based on the job level, business unit performance and individual performance. Other determinants of the size of individual award amount include pay level for each skill sets which may be influenced by relative dearth of skill in a particular area.

Whistle Blowing Procedure

The Company expects all its employees and Directors to observe the highest level of probity in their dealings with the Company and its stakeholders. The Company's Whistle-Blowing Policy covers internal and external whistle-blowers and extends to the conduct of the stakeholders including employees, vendors, and customers. It provides the framework for reporting suspected breaches of the Company's internal policies as well as extant laws and regulations. The Company has retained KPMG Professional Services to provide consulting assistance in the implementation of the policy. The policy provides that suspected wrongdoing by an employee, vendor, supplier or consultant may be reported through the KPMG Ethics lines or email, details of which are provided below:

Toll Free numbers for calls from MTN numbers only:
0703-000-0026
0703-000-0027

Toll Free numbers for calls from Airtel numbers only:
0808-822-8888
0708-060-1222

Toll Free numbers for calls from 9Mobile numbers only:
0809-933-6366

Toll Free numbers for calls from GLO numbers only:
0705-889-0140

E-mail
Internal: whistleblowing@coronationinsurance.com.ng
External: kpmgethicsline@ng.kpmg.com

The Company's Chief Compliance and Internal Control Officer is responsible for monitoring and reporting on whistleblowing. Quarterly reports are rendered to the Board Audit and Compliance Committee.

Complaints Resolution

The Company has a Complaint Management Policy which has been put in place in line with the SEC Rules Relating to the Complaint Management Framework of the Nigerian Capital Market and applies to all complaints about Coronation Insurance Plc, made by members of the public or external organizations arising out of issues contained in the Investment and Securities Act. The Complaint Management is hosted on the Company's website www.coronationinsurance.com.ng

Statement of Compliance

The Company is a public limited liability company and therefore subject to the relevant provisions of the SEC and NAICOM Codes of Corporate Governance as well as the Nigerian Code of Corporate Governance.

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director/CEO and Chief Financial Officer, hereby certify the consolidated and separate financial statements of Coronation Insurance Plc for the year ended 31 December 2020 as follows:

(a) That we have reviewed the audited consolidated and separate financial statements of the Group and Company for the year ended 31 December 2020.

(b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.

(e) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the year ended 31 December 2020.

(d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Group and its subsidiaries is made known to the officer by other officers of the companies, during the period end 31 December 2020.

(c) That we have evaluated the effectiveness of the Group's and Company's internal controls within 90 days prior to the date of audited consolidated and separate financial statements, and certify that the Group's and Company's internal controls are effective as of that date.

(f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to signifieant deficiencies and material weaknesses.

(g) That we have disclosed the following information to the Group's and Company's Auditors and Audit Commitree:

(i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's and Company's ability to record, process, summarise and report financial data, and have identified for the Group and Company's auditors any material weaknesses in internal controls, and

(ii) there is no fraud that involves management or other employees who have a significant role in the Group's and Company's internal control.

Adeyinka Adekoya
FRC/2016/CIIN/00000013893
Managing Director
22 April 2021

Oyewole Akinlemibola
FRC/2021/001/00000023135
Ag. Chief Finance Officer
22 April 2021

Coronation Management's Commentary and Analysis
for the year ended 31 December 2020

In order to foster deeper understanding of our strategy, operating risk and performance and also in compliance with regulatory requirements, we have outlined a Management's Commentary and Analysis ("MC&A") report as contained hereunder.

Reference in this MC&A to the "Company" or to "Group" is with respect to, as the context may require, Coronation Insurance Plc and all or some of its subsidiaries. Unless otherwise indicated, all financial information presented in this MC&A, including tabular amounts, is in Nigerian Naira and is prepared in accordance with International Financial Reporting Standards ("IFRS").

To facilitate wholesome understanding of the Company's position, it is advised that the content in this MC&A be read in conjunction with the full audited annual consolidated financial statements as well as the accompanying notes.

Nature of business
Coronation Insurance Group operates three Companies namely: Coronation Insurance Plc (the parent company), Coronation Life Assurance Limited and Coronation Insurance (Ghana) Limited. Coronation Insurance Plc's major business activity is insurance. However, the Group is developing capacity for expansion into the asset management and property business.

Business objective and strategy
Coronation Insurance Plc is registered, incorporated and listed in Nigeria. The Company is principally engaged in providing insurance and investment services to cater for the needs of corporate and retail sectors of the Nigerian economy.

The Company aims to evolve into a truly diversified financial services institution that provides protection against all forms of insurable risks to all customer segments. By this, the Company's objective is to emerge as one of the top twenty financial services institutions in Nigeria by 2023.

To ensure this goal is achieved, Coronation Group's strategy is to broaden and align service delivery channels along customer segments taking cognizance of the difference between policy administration, product support and customer care to adequately cater for peculiar needs for each segment.

Coronation is set to provide excellent service in a sustainable manner and thereby redefine the business of insurance within the West Africa region.

Performance indicators

Operating results and financial condition

	GROUP			COMPANY		
	31 Dec 2020	**31 Dec 2019**	**Change**	**31 Dec 2020**	**31 Dec 2019**	**Change**
	N'000	**N'000**	**%**	**N'000**	**N'000**	**%**
Gross premium written	16,185,896	15,201,362	6%	11,636,903	10,709,420	9%
Net premium income	7,359,622	7,812,986	(6)%	3,873,602	4,978,391	(22)%
Net insurance benefits and claims	(3,206,175)	(3,053,074)	5%	(1,865,932)	(1,709,290)	9%
Underwriting profit	**3,291,262**	**2,925,506**	13%	**1,721,488**	**1,782,187**	(3)%
Investment and other income	1,964,970	1,391,639	41%	1,535,975	1,256,193	22%
Operating expenses	5,428,644	5,357,887	1%	3,142,147	3,571,428	(12)%
Profit/(loss) before tax	1,145,209	23,625	4,748%	115,316	(533,049)	(122)%
Profit/(loss) after tax for the year	1,202,159	214,327	461%	215,492	(308,982)	(170)%
Basic earnings / (loss) per share (kobo)	7	2		1	(2)	

The business contiuned to experience gains resulting from the business model restructuring and transformation of the service channels embarked upon to reposition the group. These contributed to a 6% (Company: 9% increase) increase in the Group's gross written premium when compared to prior year's result.

The transformation in the business model also impacted on the net premium income of N7.4billion (December 2019: N7.8 billion) which represents a decrease of N453 million over December 2019 results.

The Group reported net insurance claims expenses of N3.2 billion in 2020, an increase of N152 million over December 2019. The Company recorded an increase of N151 million in net claim expenses between 2019 and 2020. The underwriting result at the end of the year amounted to an underwriting profit of N3.3 billion (Company: underwriting profit of N1.74 billion) compared to an underwriting profit of N2.9 billion (Company: N1.8 billion) reported during the year ended 31 December 2019. The underwriting performance was impacted by the protests and attendant destruction due to the End Sars protest which led to a poor claims experience within the period.

Investment and other income increased by 44% (Company:19%) imapacted by the inflow of funds from the rights issue and attendant investment in investment securities during the year. The increase from N1.4 billion (Company: N1.3 billion) in 2019 to N2.0 billion (Company: N1.5 billion) in 2020 is a mainly as result of the additional investment from rights issue proceeds

Operating expense for the year totalled N5.43 billion (December 2019: N5.34 billion), representing a 1.32% (Company: 8% decrease) compared to prior year expense. The Group has continued to put structures in place to ensure costs incurred are optimzed and value created.

As at 31st December 2020, the Group had N2.41 billion in the cash and cash equivalents (Company: N837 million), including money market placements of N1.07 billion (Company: N467 million) with maturity of not more than three months.

Liquidity, capital resources and risk factors

The Group’s cash investment is in accordance with its investments policy which is compliant with regulatory requirements. The Group's investment strategy during the year was underpinned by a focus on highly liquid financial instruments such as term deposit, equity and debt instruments. At the end of December 2020, the Group had approximately N13.5 billion invested in debt instruments, N706 million in equity instruments and N1.07 billion on money market placements as against N8.3 billion, N791 million and N512 million respectively for the comparative prior year period as at 31 December 2019.

Forward looking statements

Some aspects of the statement above relate to the Company’s future outlook. Reference to the Company’s or Management’s budget, estimates, expectations, forecasts, predictions or projections constitute aspect of the “forward-looking statements”. Such statements may also be deduced from the use of conditional or forward-looking terminologies including but not limited to words such as “anticipates”, “believes”, “estimates”, “expects”, “may”, “plans”, “projects”, “should”, “will”, or the adverse variants of such which appear within the body of this document.

Many factors and assumptions may affect the manifestation of the Company’s projections, including, but not limited to, production rate, claims rate, employee turnover, relationships with brokers, agents and suppliers, economic and political conditions, non-compliance with laws or regulations by the Company’s employees, brokers, agents, suppliers, and/or partners, and other factors that are beyond its control.

Without prejudice to the Company, such forward looking statements reflect Management’s current belief and are based on available information which are subject to risks and uncertainties as identified. Therefore, the eventual action and/or outcome could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes.

The forward-looking statements in this document reflect the Company’s expectations at the time the Company’s Board of Directors approved this document, and are subject to change after this date. The Company does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view of the statement of financial position of the Group and Company at the end of the year and of its profit or loss and other comprehensive income as required by the Companies and Allied Matters Act (CAMA), 2020 and the Insurance Act of Nigeria The responsibilities include ensuring that the Group

(a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the the Companies and Allied Matters Act (CAMA), 2020 and the Insurance Act;

(b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities;

(c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, which are all consistently applied.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with:

- International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- the requirements of the Insurance Act;
- relevant guidelines and circulars issued by the National Insurance Commission (NAICOM);
- the requirements of the Companies and Allied Matters Act.
- Financial Reporting Council of Nigeria Act, 2011

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

By order of the Board

Mutiu Sunmonu
FRC/2014/IODN/00000006187
Chairman
22 April 2021

Adeyinka Adekoya
FRC/2016/CIIN/00000013893
Managing Director
22 April 2021

Report of the Audit Committee

For the year ended 31 December 2020

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020, the members of the Audit Committee of Coronation Insurance Plc hereby, report on the financial statements for the year ended 31 December 2020 as follows:

- We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020 and acknowledge the co-operation of management and staff in the conduct of these responsibilities.

- We are of the opinion that the accounting and reporting policies of the Group and Company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2020 were satisfactory and reinforce the Group's internal control systems.

- We have deliberated with the External Auditors, who have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the External Auditor's recommendations on accounting and internal control matters and the effectiveness of the Company's system of accounting and internal control.

Mr. Abubakar Jimoh
FRC/ICAN/2013/00000001481
Chairman, Audit Committee
22 April 2021

Members of the committee as at 31 December 2020:

Mr. Abubakar Jimoh	-	Director (Chairman)
Mr. Chinwendu Achara	-	Shareholder (Member)
Mr. Adeniyi Adebisi	-	Shareholder (Member)
Mrs. Mary Joke Shofolahan	-	Shareholder (Member)
Ms. Chizoba Ufoeze	-	Director (Member)
Mrs. Titilayo Osuntoki	-	Director (Member)

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CORONATION INSURANCE PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of CORONATION INSURANCE Plc ("the Company") and its subsidiaries (together "the Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and notes to the consolidated and separate financial statements.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2020 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with the International Financial Reporting Standards and the relevant provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM), and in compliance with the Financial Reporting Council of Nigeria Act No.6, 2011.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CORONATION INSURANCE PLC - Continued

The Key Audit Matter apply equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Insurance Contract Liabilities and Reserve Adequacy Testing The Group has material insurance contract liabilities from both Life and non-Life businesses of ₦10.9 billion representing 74% of total liabilities of the Group and N7.066 billion representing 77% of the total liabilities for the Company. This is an area that involves significant judgment over uncertain future outcomes and therefore we considered it a key audit matter for our audit. Consistent with the insurance industry practice, the Group engaged an independent actuary to test the adequacy of the valuation of insurance contract liabilities at the year end. The complexity of the valuation models may give rise to errors as a result of inadequate/incomplete data or the design or application of the models. Economic assumptions such as interest rates and future inflation rates and actuarial assumptions such as customer behaviour and uniform risk occurrence throughout the period are key inputs used to determine these liabilities. Significant judgment is applied in setting these assumptions and small changes in a number of these key assumptions could have a material impact on the calculation of the liabilities. Insurance contract liabilities are disclosed in Note 21 to the consolidated and separate financial statements.	**Our audit procedures on the valuation of Insurance Contract Liabilities and Reserve Adequacy Testing include:** With the assistance of our in-house actuarial specialists we performed the following audit procedures on the Group's actuarial reports: i. We considered the appropriateness of the assumptions used in the valuation of the insurance contracts with reference to the Group's and industry's data and expectations of investment returns, future longevity and expense developments. ii. We considered the appropriateness of the non-economic assumptions used in the valuation of the insurance contracts in relation to laps or extension assumptions by reference to Group specific and industry data. iii. We assessed the competence and objectivity of the Group's external specialists, confirming they are qualified and affiliated with the appropriate industry bodies. *Other key audit procedures included:* i. We reviewed and documented management's process for estimating life policy benefits. ii. We assessed the design of internal controls over the integrity of underwriting and claims data in the system as well as over the reserving and claims processes. iii. We performed file reviews of specific underwriting contracts in order to maximize our understanding of the book of business and validate initial loss estimates. iv. We performed subsequent year claim payments to confirm the reasonableness of the initial loss estimates.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CORONATION INSURANCE PLC - Continued

Other matter
The financial statements for Coronation Insurance Plc for the year ended 31 December 2019 were audited by another auditor who expressed unmodified opinion on those financial statements on 12 March 2020.

Other Information
The Directors are responsible for the other information. The other information comprises the information included in the document titled "Coronation Insurance Plc Consolidated and Separate Financial Statements for the year ended 31 December 2020", which includes the Corporate Information, statement of Corporate responsibility, the Directors' Report, Corporate Governance Report, Management Commentary and Analysis, Hypothecation, the Value Added Statements and the Five-Year Financial Summary as required by the Companies and Allied Matters Act, 2020, and in compliance with the Financial Reporting Council Act, No.6, 2011, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements
The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards, and the relevant provisions of the Companies and Allied Matters Act, 2020, the Insurance Act 2003 and relevant policy guidelines issued by the National Insurance Commission (NAICOM) and in compliance with the Financial Reporting Council of Nigeria Act No.6, 2011, and for such internal controls as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CORONATION INSURANCE PLC - Continued

Responsibilities of the Directors for the Consolidated and Separate Financial Statements - Continued
In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with the ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CORONATION INSURANCE PLC - Continued

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements - Continued

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) In our opinion, proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books;

iii) The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and

iv) In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

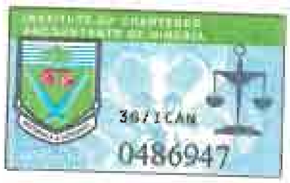
Oluwasayo Elumaro, FCA

FRC/2012/ICAN/00000000139

For: Ernst & Young

Lagos, Nigeria

April 2021



1. Reporting entity

Coronation Insurance Plc (formerly Wapic Insurance Plc) (“Wapic” or ‘‘the Company”) together with its subsidiaries (collectively "the Group") is a public liability company domiciled in Nigeria with operations in Nigeria and Ghana. Coronation Insurance Plc (formerly Wapic Insurance Plc) was incorporated on 14 March 1958 as a private limited liability Company under the name of West African Provincial Insurance Company Limited. It became a public limited liability company in 1990 when the Company’s shares were listed on the Nigerian Stock Exchange. The Group secured a life insurance business license from National Insurance Commission (NAICOM) in 2000, and became a composite insurance business. The Group separated the life business and transferred the related assets and liabilities to its subsidiary, Intercontinental Life Assurance Limited (now Coronation Life Assurance Limited (formerly Wapic Life Assurance Limited)), on 1 March 2007 through which it continues to provide life assurance services. Coronation Insurance Ghana Limited (formerly Wapic Insurance Ghana Limited), a wholly owned subsidiary of Coronation Inaurance Plc (formerly Wapic Insurance Plc), was incorporated on 21 January 2008 to carry on general insurance business in Ghana from 19 February 2008. The address of the Group’s corporate office is 119, Awolowo Road, Ikoyi. The Group is principally engaged in the business of underwriting life and non-life insurance risks and also issues a diversified portfolio of investment contracts products to provide its customers with asset management solutions for their savings and target investment plans.

Going concern

These financial statements have being prepared on the going concern basis. The Group and Company has no intention or need to reduce substantially its business operations. The management believes that the going concern assumption is appropriate for the Group and Company due to sufficient capital adequacy ratio, healthy solvency margin and projected liquidity, based on historical experience that short-term obligations will be refinanced in the normal course of business. Liquidity ratio and continuous evaluation of current ratio of the Group and Company is carried out to ensure that there are no going concern threats to the operation of the Group and Company.

2. Basis of preparation

(a) Statement of compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS), in the manner required by Companies and Allied Matters Act of Nigeria, the Insurance Act of Nigeria, relevant National Insurance Commission (NAICOM) guidelines and circulars and the Financial Reporting Council of Nigeria Act (FRCN Act), to the extent that these laws are not in conflict with the requirement of IFRS.

The financial statements were authorised for issue by the directors on 22 April 2021.

(b) Functional and presentation currency

The financial statements are presented in Nigerian currency (Naira) which is the Group’s functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

(c) Basis of measurement

The financial statements have been prepared on a historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value;
- financial instruments at fair value through other comprehensive income are measured at fair value;
- investment properties are measured at fair value;
- land and building are carried at revalued amount; and
- Insurance liabilities are measured at present value of future cashflows.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in note 4 of the financial statements.

(e) Regulation

The Group is regulated in Nigeria by the National Insurance Commission (NAICOM) under the National Insurance Act of Nigeria. The Act specifies certain provisions which have impact on financial reporting as follows:

i) section 22 (1b) requires maintenance of contingency reserves for life business at specified rates as set out under note 3.12 to cover fluctuations in securities and variation in statistical estimates;

ii) section 22 (1a) requires the maintenance of a general reserve fund which shall be credited with an amount equal to the net liabilities on policies in force at the time of the actuarial valuation and an additional 25 percent of net premium for every year between valuation date;

iii) section 10(3) requires insurance companies in Nigeria to deposit 10 per centum of the minimum paid up share capital with the Central Bank of Nigeria.

iv) section 25 (1) requires an insurance company operating in Nigeria to invest and hold investments in Nigeria assets equivalent to not less than the amount of policy holders' funds in such accounts of the insurer.

v) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported at the end of the year under review under section 20 (1b). However, claims incurred but not reported liabilities have been estimated in line with accounting policy 3.12 to comply with IFRS;

vi) the requirement for additional provision of 25 per cent of net premium to general reserve fund under section 22 (1a) as actuarial valuations on life insurance liabilities are currently carried out on a yearly basis in line with IFRS.

Section 59 of the Financial Reporting Council of Nigeria Act, (FRCN Act) provides that in matters of financial reporting, if there is any inconsistency between the FRCN Act and other Acts which are listed in section 59(1) of the FRCN Act, the FRCN Act shall prevail. The Financial Reporting Council of Nigeria acting under the provisions of the FRCN Act has promulgated IFRS as the national financial reporting framework of Nigeria. Consequently, the provisions of section 20(1b) and 22(1a) of the National Insurance Act, which conflict with the provisions of IFRS have not been adopted:

i) the requirement to provide 10 per cent for outstanding claims in respect of claims incurred but not reported (IBNR) at the end of the year under review under section 20 (1b);

ii) the requirement for additional provision of 25 per cent of net premium to general reserve fund under section 22 (1a).

(f) Reporting period

The statement of financial position has been prepared for a 12 month period.

(g) Changes in accounting policies

Except for the changes below, the Group has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

Standards and interpretations effective for the first time for 31 December 2020 year end

(i) Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

(ii) Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark- based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

(iii) Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to, the Group.

(iv) Conceptual Framework for Financial Reporting issued on 29 March 2018

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to, the Group.

(v) Amendments to IFRS 16 COVID-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 01 January 2021or later periods:

(i) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profitor lossonly to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profitor loss.

The effective date of the amendmentis to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate financial statements.

(ii) IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The Group does not expect to adopt the new standard before 1 January 2022.

(iii) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendments are not expected to have a material impact on the Group.

(iv) Reference to the Conceptual Framework IV Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential "day 2" gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Group.

(v) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.
The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

(vi) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.
The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.
The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Group.

(vii) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments is not applicable to the Group.

(viii) IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

(ix) Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognised in profit or loss.

The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk to reference an RFR and redefining the description of the hedging instruments and/or the hedged items to reflect the RFR. Entities are allowed until the end of the reporting period, during which a modification required by IBOR reform is made, to complete the changes. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 and IAS 39 to measure and recognise hedge ineffectiveness.

Amounts accumulated in the cash flow hedge reserve aredeemed to be based on the RFR. The cash flow hedge reserve is released to profit or loss in the same period or periods in which the hedged cash flows based on the RFR affect profit or loss.

For the IAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero. This relief applies when the exception to the retrospective assessment ends.

The amendments provide relief for items within a designated Company of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued. As items within the hedged Company transition at different times from IBORs to RFRs, they will be transferred to sub-Companys of instruments that reference RFRs as the hedged risk.

As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform. The phase two reliefs cease to apply once all changes have been made to financial instruments and hedging relationships, as required by IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. The relief allows entities upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months.
IFRS 7 Financial Instruments: Disclosures includes the following:

• How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform
• Disaggregated by each significant IBOR benchmark, quantitative information about financial instruments that have yet to transition to RFRs
• If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes
Effective for annual periods beginning on or after 1 January 2021

3 Significant accounting policies
Except for the changes explained above, the significant accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Cash and cash equivalents
Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

For the purpose of cashflow, cash and cash equivalents comprise of cash in hand and bank, short term bank deposits and treasury bills with a maturity of 90 days or less.

3.2 (a) Financial instruments
Recognition and derecognition
Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instrument.

Regular-way purchases and sales of financial assets are recognised on settlement date which is the date on which the Group parts with or receives economic resources for the purchase or sale of the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Financial assets that are transferred to a third party but do not qualify for derecognition are presented in the statement of financial position as pledged assets, if the transferee has the right to sell or re-pledge them.

Derecognition of a financial liability occurs only when the obligation is extinguished. A financial liability is said to be extinguished when the obligation is discharged, cancelled or expired.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense will not be offset in profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

i) Financial assets
(a) Classification
The Group's financial assets include cash and short term deposits, loan and other receivables, staff loans, quoted and unquoted equity instruments, treasury bills and bonds. The Group classifies its financial assets in the following categories:
-Amortised cost
-Fair value through other comprehensive income (FVOCI) and
-Fair value through profit or loss (FVTPL)

Classification of debt instruments
Management classifies its financial assets into any of the asset categories above on the basis of both:
-The Group's business model for managing the financial assets.
-The contractual cash flows characteristics of the financial assets.

1. Business Model Assessment
The business model assessment is one of the two steps to classify financial assets. The business model assessment of the Group's financial instruments is performed at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

Judgment is needed to determine the level of aggregation to which the business model assessment is applied. That determination is made on the basis of how the Group manages its business, it is not made at the level of an individual asset, rather the Group performs this assessment at a higher level of aggregation which is at a portfolio level.

If cash flows are realised in a way that is different from the Group's expectations at the date that the Group assessed the business model (for example, if the Group sells more or fewer financial assets than it expected when it classified the assets), this does not:
- give rise to a prior period error in the Group's financial statements (as defined in IAS 8 Accounting policies, changes in accounting estimates and errors)
-change the classification of the remaining financial assets held in that business model (i.e., those assets that the Group recognised in prior periods and still holds), as long as the Group has considered all relevant information that was available at the time that it made the business model assessment.

However, when the Group assesses the business model for newly originated or newly purchased financial assets, it considers information about how cash flows were realised in the past, along with all other relevant information. Where there was a change in the way that cash flows are realised, then this will affect the classification of new assets recognised in the future.

Hold-to-collect business model
Where the Group's objective is to hold the asset (or portfolio of assets) to collect the contractual cashflows, the asset (or portfolio of assets) are classified under the 'hold to collect' business model. Financial assets that are held within this business model are measured at amortised cost (provided the asset also meets the contractual cash flow test – see below). Such assets are managed to realise cash flows by collecting contractual payments over the life of the instrument.

In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, the Group considers the frequency and value of sales in prior periods, the timing of the sale of assets, the reasons for those sales, and the Group's expectations about future sales activity.

In accordance with IFRS 9, sales in themselves do not determine the business model and cannot be considered in isolation. However, information about past sales and expectations about future sales provide evidence related to how the Group's stated objective for managing the financial assets is achieved and, specifically, how cash flows are realised.

Hold-to-collect contractual cash flows and sell
Where the Group's objective is to hold a group of financial assets to collect the contractual cashflows and then to sell those financial assets, the portfolio of assets are classified under the 'hold to collect and sell' business model. The FVOCI measurement category is mandatory for portfolios of financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (provided the asset also meets the contractual cash flow test).

Collecting contractual cash flows and selling are fundamental to achieving the objective of the business model.
Compared to the business model with an objective to hold financial assets to collect contractual cash flows, this business model will typically involve greater frequency and value of sales. This is because selling financial assets is integral to achieving the business model's objective rather than only incidental to it. There is no threshold for the frequency or value of sales that can or must occur in this business model.

Other business models
IFRS 9 requires financial assets to be measured at fair value through profit or loss (FVTPL) if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

A business model that results in measurement at FVTPL is where the financial assets are held for trading or where the assets are managed on a fair value basis. In each case, the Group manages the financial assets with the objective of realising cash flows through the sale of the assets. The Group makes decisions based on the assets' fair values and manages the assets to realise those fair values.

2. The contractual cash flows assessment – the Solely Payments of Principal and Interest (SPPI) test

This assessment aims to identify whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding.

The SPPI test is based on the premise that it is only when the variability in the contractual cash flows arises to maintain the holder's return in line with a 'basic lending arrangement' that the application of the effective interest method provides useful information about the uncertainty, timing and amount of the financial asset's contractual cashflows.

The effective interest method is essentially to spread interest revenue or expense over time. Amortised cost or FVOCI measurement is only appropriate for simple cash flows that have low variability such as those of loans and receivables and debt securities.

Classification of equity instruments

Investment in equity instruments are always measured at fair value. The Group has elected to irrevocably designate non-trading equity instruments at FVOCI as permitted by IFRS 9. Equity investments that are held for trading (including all equity derivative instruments such as warrants ane rights issues) are required to be classified at fair value through profit or loss.

The Group may acquire an investment in an equity instrument that is not held for trading. At initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to present changes in fair value in other comprehensive income rather than profit or loss.

Amounts presented in OCI are not subsequently transferred to profit or loss, even on derecognition. However, the cumulative gain or loss may be transferred within equity. Equity investments are not subject to any impairment requirements.

Dividends from such investments should be recognised in profit or loss when the right to receive payment is probable and can be measured reliably, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case they are recognised in other comprehensive income.

(b) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Amortised Cost

Financial instruments are measured at amortised cost, using the effective interest rate method.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and for financial assets, adjusted for any impairment allowance.

The impairment loss is reported as a deduction from the carrying value of the loan (using an allowance account) and recognised in profit or loss as 'impairment charges'.

Effective interest rate method

The effective interest method is a method used in calculating the amortised cost of a financial asset or financial liability and in the allocation and recognition of the interest income or expense in profit or loss over the relevant period.

The effective interest method differs from the straight-line method in that the amortisation under the effective interest method reflects a constant return on the carrying amount of the asset or the liability. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts, over the expected life of the financial instrument to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. It is the internal rate of return of the financial asset or liability for that period.

ii) Fair value through Other Comprehensive Income

For the Group's investment in debt instruments measured at FVOCI, all movements in fair value should be taken through other comprehensive income except for the recognition of impairment losses, interest revenue in line with the effective interest rate method, foreign exchange gains and losses arising on derecognition of the asset which are recognised in the profit or loss.

Therefore, fair value changes will be split in the interest income on an effective interest basis (which are posted to profit or loss) and fair value gains or losses (which are posted to other comprehensive income).

All equity investments held by the Group are required to be measured at fair value through profit or loss. However, the Group can make the irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading. Where the Group elects the irrevocable option, amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. Nevertheless, the Group may transfer the cumulative gain or loss within equity. Dividends on such equity instruments are recognised in profit or loss in 'Dividend income' when the Group's right to receive payment is established.

The Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

iii) Fair value through profit or loss

These assets and liabilities are measured at fair value, with the unrealised gains and losses arising from changes in fair included directly in profit or loss and are reported as 'Net gains/ (losses) on financial instruments classified as held for trading'
The carrying value of trading positions in financial instruments includes accrued interest. Fair value changes recognised through profit or loss in the statement of comprehensive income on such instruments includes items such as interest and dividends, if related to those trading positions.

(d) Impairment of financial assets
The Group will assess on a forward looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts.
No impairment is recognised on equity investments. This is because the fair value changes would incorporate impairment gains or losses if any.

General Approach
Under the general approach, at each reporting date, the Group recognises a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition. The changes in the loss allowance balance are recognised in profit or loss as an impairment gain or loss.

The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

· 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality

· Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis or when a loan becomes credit impaired respectively.

Staging
Stage 1: On origination, a financial asset (provided that it is not a purchased or originated credit impaired asset) will be in stage 1 of the general model for expected credit losses. Financial assets that have not had a significant increase in credit risk since initial recognition or that (upon assessment and option selected by the Group) have low credit risk at the reporting date remain in stage 1.

For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

Stage 2: Financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the Group) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised and interest revenue is still calculated on the gross carrying amount of the asset.

Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the Group is exposed to credit risk. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.

The Group, when determining whether the credit risk on a financial instrument has increased significantly, considers reasonable and supportable (both historical and forward-looking) information available, in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument.

Stage 3: This includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECLs are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance). This is done by applying the EIR in subsequent reporting periods to the amortised cost of the financial asset.

When the Group has no reasonable expectations of recovering the financial asset, then the gross carrying amount of the financial asset can be directly reduced in its entirety via a write off. A write-off constitutes a derecognition event.

Simplified approach
The simplified approach does not require the Group to track the changes in credit risk, but, instead, requires the Group to recognise a loss allowance based on lifetime ECLs at each reporting date, right from origination.

The Group recognizes lifetime ECLs at each reporting period for trade receivables or other receivables that result from transactions within the scope of IFRS 15 and that do not contain a significant financing component.

Measurement of expected credit losses

The standard defines credit loss as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR

ECLs are a probability-weighted estimate of credit losses over the expected life of the financial instrument (i.e., the weighted average of credit losses with the respective risks of a default occurring as the weights).

When measuring ECLs, in order to derive an unbiased and probability-weighted amount, the Group should evaluate a range of possible outcomes. This involves identifying possible scenarios that specify:

a. The amount and timing of the cash flows for particular outcomes
b. The estimated probability of these outcomes
c. Exposure at default (EAD): The EAD estimates the percentage of exposure the Group might lose if the borrower defaults.

Probability of default (PD)
12 Month PDs
12 month PD is the probability of a loan defaulting within the next 12 months. 12-month PD estimates are required to calculate 12-month ECLs for accounts classified as Stage 1. These PD estimates also form the basis of the lifetime PD curves, which are required to calculate lifetime ECLs for accounts classified as Stage 2. 12 Months PD is used computed using the Group's data

Lifetime PDs
Lifetime PD curves are required to calculate expected credit losses for Stage 2 and Stage 3 accounts. Ideally, lifetime PD curves should be developed based on internal default data. However, the Group does not have sufficient history of internal default data to build credible curves so it has derived lifetime PD curves using S & P's "2017 Annual Sovereign Default Study and Rating Transition".

Loss given default (LGD)
LGD is the share of an asset that is lost when a borrower defaults. The recovery rate is defined as 1 minus the LGD, the share of an asset that is recovered when a borrower defaults. Loss given default is facility-specific because such losses are generally understood to be influenced by key transaction characteristics such as the presence of collateral and the degree of subordination.

Exposure at default (EAD)
EAD is equal to the current amount outstanding at the expected point of default in case of fixed exposures like staff loans and investment securities. This is derived using the original carrying amount, interest rate and tenor of the facility.

3.3 Other receivables and prepayments
Other receivables are measured at amortised cost less accumulated impairment losses while prepayment are carried at cost less accumulated impairment losses.

3.4 Reinsurance assets and reinsurance liabilities
Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due. The details of recognition and measurement of reinsurance contracts assets and liabilities have been set out under note 3.17 (e).

3.5 Deferred acquisition cost
Acquisition costs comprise insurance commissions, brokerage and other related expenses arising from the generation and conclusion of insurance contracts. The proportion of acquisition costs that correspond to the unearned premiums are deferred as an asset and recognized in the subsequent period. They are recognised on a basis consistent with the related provisions for unearned premiums.

3.6 Investment property
Investment property comprises investment in land or buildings held primarily to earn rental income or capital appreciation or both.
Investment property is initially recognized at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. Investment property is subsequently measured at fair value with any change therein recognised in profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, registered with the Financial Reporting Council (FRC) of Nigeria as well as holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued.
Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Group; otherwise they are expensed as incurred.
Investment properties are disclosed separately from the property and equipment used for the purposes of the business.
The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property and equipment.

3.7 Intangible assets

Software

Recognition of software acquired is only allowed if it is probable that future economic benefits attributable to this intangible asset will flow to the Group.

Software acquired is initially measured at cost. The cost of acquired software comprises its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use. After initial recognition, software acquired is carried at its cost less any accumulated amortization and any accumulated impairment losses. Maintenance costs should not be included.

Internally developed software is capitalized when the Group has the intention and demonstrates the ability to complete the development and use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalized costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalized cost less accumulated amortization and impairment.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life with the estimated useful life of software being five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Upon disposal of software or when no future economic benefits are expected to flow from its use, such software are derecognise from the books. Gains or losses arising on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognised in profit or loss in the year of derecognition.

3.8 Property and equipment

Recognition and measurement

All items of property and equipment except land and buildings are initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Land and buildings are initially recognised at cost and subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognised net within other income in profit or loss.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit and loss account during the financial period in which they are incurred.

Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

Depreciation

Depreciation is calculated on property and equipment on a straight line basis to write down the cost of each asset to its residual value over its estimated useful life. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

No depreciation is charged on items of property and equipment until they are available for use.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Depreciation is computed as follows:

Land	-	Over the lease period
Buildings	-	Over 50 years
Office equipment	-	Over 5 years
Computer hardware	-	Over 3 years
Furniture and fittings	-	Over 5 years
Motor vehicles	-	Over 4 years

Revaluation of land and building

Land and building is valued on an open market basis by qualified property valuers at least once every 3 years if there are evidences of significant changes in the carrying value.

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the statement of profit or loss.

When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in the statement of profit and loss.

Derecognition

An item of property and equipment is derecognised when it is disposed of or where no future economic benefits are expected from its use or disposal. Gains and losses arising on derecognition are calculated as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss as other income. Where a revalued asset is disposed or scrapped, the revaluation reserve balance in respect of that asset is transferred as a reserve reclassification from other reserves to retained earnings.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are considered to be impaired when there exist any indication that the asset's recoverable amount is less than the carrying amount, it is then assessed for impairment to determine the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are carried at the lowest levels for which they are separately identifiable cash flows (cash generating units). Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. Reversals of impairment losses are recognised in profit or loss.

3.9 Statutory deposit

These deposits represent bank balances required by the insurance regulator of the Group to be placed with the Central Bank of Nigeria (and the Central bank of Ghana for its subsidiary) and are based on 10% of the statutory minimum capitalisation. These deposits are not available for day to day use and are stated at amortised cost.

3.10 Share capital, dividend on ordinary shares, earnings per share, retained earnings & revaluation reserve

(i) Share capital

The Group classifies ordinary shares as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to issue of shares are recognized as deductions from equity net of any tax effects.

(ii) Dividend on ordinary shares

Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

(iii) Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group by the number of shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued. A diluted earnings per share is determined where appropriate.

(iv) Diluted Earnings per share
The Group determines diluted earnings per share based on profit attirbutable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for effect of all dilutive potential ordinary shares

(v) Retained earnings/(deficit)
This account accumulates net profits or losses from operations.

(vi) Revaluation reserve
Revaluation reserve represents the fair value differences on the revaluation of items of property, plant and equipment as at the balance sheet date. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in revaluation reserve. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an assets carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss, however, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in respect of an item of property, plant and equipment is transferred to retained earnings when the asset is derecognised. This involves transferring the whole of the surplus when the asset is retired or disposed and some of the surplus are transfered to retained earnings as the asset is used by the entity. The amount of the surplus transfered is the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfers from revaluation reserve to retained earnings are not made through profit or loss.

3.11 Life insurance contract liabilities
The recognition and measurement of insurance contracts have been set out under note 3.17. Insurance contracts.
The reserves include Incurred But Not Reported (IBNR), Unearned Premium Reserve (UPR) and Life fund and these liabilities arising from life insurance contracts are determined as follows:

(a). Life fund
This is made up of liabilities on life policies in force as determined by qualified actuaries at the reporting date. Surplus or deficit arising from the periodic valuation of the life insurance contracts are recognised in profit and loss.

(b). Reserving methodology and assumptions
Data segmentation
The data used for reserving is segmented into the 2 classes as follows:
Individual business
Group business

Valuation and assumptions
The valuation for both the individual business and Group business utilises various assumptions which include:

- the valuation age is taken as Age Last Birthday at the valuation date;
- the period to maturity is taken as the full term of the policy less the expired term.
- full credit is given to premiums due between valuation date and the end of the premium paying term.

For all individual risk business, the gross premium method of valuation was used.
Reserves were calculated via a cashflow projection approach, taking into account future office premiums, expenses and benefit payments. Future cashflows were discounted back to the valuation date at the valuation rate of interest.

An unexpired premium reserve (UPR) was included for Group life business after allowing for acquisition expenses at a ratio of 15% of premium. The UPR is tested against an Additional Unexpired Risk Reserve (AURR) for adequacy and an AURR may also be held to allow for any inadequacies in the UPR for meeting claims in respect of the unexpired period. The claim rates underlying the AURR were based on pooled historical scheme claims experience. Allowance was made for IBNR (Incurred But Not Reported) claims in Group Life to take care of the delay in reporting claims. This was based on a loss ratio approach, which uses historical claims experience to estimate the expected claims, from which the IBNR portion is determined.

3.12 Contingency reserves

The Group maintains contingency reserves in accordance with the provisions of the Nigerian Insurance Act to cover fluctuations in securities and variations in statistical estimates. For life business, the reserve is calculated at the rate equal to the higher of 1% of gross premiums and 10% of net profit while for Non-Life business, the reserve is calculated at the rate equal to the higher of 3% of gross premiums and 2% of net profit.

3.13 Liability adequacy test
The liability for insurance contracts is tested for adequacy by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the statement of profit or loss. Insurance contract liabilities are subject to liability adequacy testing on an annual basis. The method of valuation and assumptions used, the cash flows considered and the discounting and aggregation practices adopted have been set out as part of note 3.11.

The recognition of liability for investment contracts have been set out under note 3.18. Reserve for investment contract liabilities have been taken as the amount standing to the credit of the policy holders at the valuation date.

3.14 Trade and other payables
Trade Payables:
Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is omitted.

Other payables:
Other payables are initially recognised at fair value and subsequently measured at amortised cost.

3.15 Provisions
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.16 Deferred income tax
Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of the asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax is realizable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is possible that future profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilized.

3.17 Insurance contracts
The Group enters into insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

Life insurance contracts are issued to indemnify the insured life, the dependent or other thirdparty in the event of death, permanent disability, loss of job or on survival to maturity of the contract with the sums assured. These contracts insure events associated with human life (for example, death or survival) over a long duration.

In addition, the Group has short term life insurance contracts which protect the policyholders from the consequences of events (such as death or disability) over usually an annual period. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured or the beneficiary.

Recognition and measurement

(a) Gross premium written
Premiums and annuity considerations written and/or receivable under life insurance contracts are stated gross of commission and recognised when due. Premium written relates to risks assumed during the period.

(b) Claims expenses
Claims and benefits relating to life insurance contracts are recognised as expense on notification. The measurement of life insurance contract liabilities has been set out under note 3.11. Claims expenses are expenses related to the settlement of insurance risk obligations.

(c) Claims expenses recoverable
Claims expenses recoverable are amounts recoverable on the gross claims expenses. This is estimated in manner consistent with the outstanding claims provision and claims incurred associated with the polices and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Group reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in profit or loss as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(d) Deferred income
Deferred income represents a portion of commission received on reinsurance contracts which are booked during the financial year and are deferred based on the tenor of the underlying contracs. It is calculated by applying the reinsurance commission income ratio of prepaid reinsurance to reinsurance cost.

(e) Reinsurance contracts held

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group and that meet the definition requirements for insurance contracts are reclassified as reinsurance contracts. Insurance contracts entered into by the Group under which the contract holder is another insurer are covered as insurance contracts.

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contracts. Reinsurance liabilities are primarily premiums payable for the reinsurance contracts and are recognised as an expense when due. The Group had the right to set-off re-insurance payables against the amount due from re-insurance and brokers in line with the agreed arrangement between both parties.

Reinsurance expense represents outward reinsurance premiums and are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

(f) Unearned premiums
Unearned premiums are those proportions of premiums written in the year that relate to periods of risks after the reporting date. It is computed separately for each insurance contract using a time proportionate basis, or another suitable basis for uneven risk contracts.

3.18 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

3.19 Investment contracts
Investment contracts are those contracts that transfer financial risks with no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are recognised as liabilities and are measured at amortised cost at amount payable at each reporting date. The Group does not have contracts with discretionary participating features.

Individual deposit-based business comprises the various Wapic Trust, Wapic Gold, Wapic Cash and Wapic Val policies and their reserve comprises of the amount standing to the credit of the policyholders (account balance) at the valuation date. The life cover element (and corresponding risk premiums where applicable) was unbundled from the deposit components and reserves were calculated using a gross premium cash flow approach as described above. The rate of return applied on the policyholders balance are also in accordance with the terms and conditions of each product.

3.20 Fees and commission income
Fees and commissions are recognized on ceding business to the re-insurer and undertaking policy adminsitration for collectively administered policies. Commission are earned and credited to profit or loss over the period the service is provided.

3.21 Underwriting expenses
Underwriting expenses are made up of acquisition and maintenance expenses comprising commission and policy expenses, proportion of staff cost and insurance supervision levy.
Underwriting expenses for insurance contracts are recognized as expense when incurred, with the exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

3.22 Income recognition

(i) Gross premium income
Gross written premiums recognised for assumed insurance risks during the year are amortised over the period of the insurance contract. The gross premiums written are recognised as gross premiums income by adjusting for the movement in the unearned premiums reserves for insurance risks brought forward from the last year at the beginning of the year and the required unearned premiums reserves for the outstanding insurance risks at the end of the year. The recognised gross premiums income represent the earned portion of all insurance contracts in force during the year both from preceeding years and the current year.

(ii) Fees and commission income
Fees and commission income are recognised on the commission and policy admin fees received in respect of businesses ceded out to reinsurance companies and other insurance companies and fees earned from other related financial services during the period.

(iii) Investment income
Investment income comprise interest income earned on short-term deposits, rental income. and income earned on trading of securities including all realized and unrealized fair value changes, dividends and foreign exchange differences. Investment income, other than interest income, is recognised at fair value and on an accrual basis.

Interest income is recognised in the profit or loss as it accrues and is calculated using the effective interest rate method. Fees and commissions that form part of an integral part of the effective yield of a financial instrument are recognised as an adjustment to the effective interest rate of the instrument.

(iv) Other operating income
Other operating income comprises of profit from sale of property and equipment, interest income earned on staff loans and net foreign exchange gain. Interest income is recognised in the profit or loss as it accrues and is calculated using the effective interest rate method.

(v) Dividend income
Dividend is recognized when the Group's right to receive the dividend has been established. The right to receive dividend is established when the dividend has been duly declared.

3.23 Employee benefits
Short-term benefits
Short-term employee benefit obligations include wages, salaries and other benefits which the Group has a present obligation to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. These expenses are recognised in the profit or loss for the related period.

Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2014. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay a minimum fixed percentage contribution of 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognized in the profit and loss.

Termination Benefits
Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after reporting sheet date are discounted to present value.

3.24 Foreign currency transactions
The Nigerian Naira is the Group's functional and reporting currency. Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting sheet date; the resulting foreign exchange gain or loss is recognized in profit or loss.

Unrealized exchange differences on non-monetary financial assets (investments in equity instruments) are a component of the change in their entire fair value and are recognised in equity (translation reserve). For a non-monetary financial asset held for trading or designated at fair value through profit or loss, unrealized exchange differences are recognized in profit or loss. For non-monetary financial investments available-for-sale, unrealized exchange differences are recorded in other comprehensive income and transfer to equity when the asset is sold or becomes impaired.

3.25 Management and other operating expenses
Management and other operating expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other operating expenses. They are recognised on an accrual basis.

3.26 Segment reporting
A segment is a distinguishable component of the Group that is engaged in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments. Significant geographical regions have been identified as the secondary basis of reporting.

3.27 Dividends
Dividend distribution to the Group's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders. Dividends paid to shareholders are subject to witholding tax deduction at the appropriate rate. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements.

3.28 Leases
The Company leases several assets including buildings and land. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension options. The lease period ranges from 1 year to 40 years. The lease agreements do not impose any covenants; however, leased assets may not be used as security for borrowing purposes. Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.
Lease liabilities
At commencement date of a lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:- fixed payments (including in-substance fixed payments), less any lease incentives receivable- variable lease payment that are based on an index or a rate- amounts expected to be payable by the Company under residual value guarantees- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that

the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The lease term refers to the contractual period of a lease.

Right of use Assets

Right-of-use assets are measured at cost comprising the following: - the amount of the initial measurement of lease liability- any lease payments made at or before the commencement date less any lease incentives received- any initial direct costs, and- restoration costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Extension and termination options

Extension and termination options are included in the property leases. These are used to maximize operational flexibility in terms of managing the assets used in the Company’s operations. The majority of extension and termination options held are exercisable only by the Company.

Operating leases

Leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are recognised on profit or loss on a straight-line basis over the period of the lease.

3.29 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognised because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to crystallise.

3.30 Actuarial valuation

Actuarial valuation of the life fund is conducted annually to determine the liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All surpluses and deficits arising therefrom are charged to the profit or loss.

3.31 Related party

Related parties refers to persons or entities that are related to the entity preparing the financial statements. At every reporting date, the Group discloses every transaction it had carried out during the period with its related parties.

4 Critical accounting estimates and judgments

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities. The underlying judgments of the selection and disclosure of the Group's critical accounting policies and estimates, and the application of these policies and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

(i) Determination of fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of techniques as described in accounting policy 3.2(b). Further disclosures on the Group's valuation methodology have been made on note 6 (Fair value hierarchy). For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(ii) Actuarial valution of insurance contracts liabilities

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims. The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection technique called the Basic Chain Ladder (BCL).

The main assumption underlying these techniques is that the Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analyzed by accident years and the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims, inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

For Life Insurance contracts, the liabilities are estimated using appropriate and acceptable base tables of standard mortality according to the type and nature of the insurance contracts. Assumptions such as expenses inflation, valuation interest rate, mortality and claims experience are considered in estimating the required reserves for individual life contracts fund and the incurred but not reported claims under the Group life and non-life insurance contracts. The sensitivities to various valuation index for the life business is included under note 5 (Sensitivity Analysis).

(iii) Expected Credit Loss

The determination of Expected Credit Loss on financial assets requires the use of techniques as described in accounting policy 3.2(a). Further disclosures on the Company's valuation methodology have been made on note 3.2(d) (impairment) . Determination of expected credit loss requires varying degrees of judgement on the probability at default, loss given defaault, uncertainty of forward looking information and other risks affecting the specific instrument.

Consolidated and Seperate Statements of Financial Position as at 31 December 2020

	Notes	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
ASSETS					
Cash and cash equivalents	8	2,409,304	1,152,498	837,091	506,065
Financial assets at fair value through OCI	9	11,561,778	7,304,418	3,307,092	1,979,496
Financial assets at amortised cost	9	3,149,918	1,764,857	411,206	362,328
Trade receivables	10	70,181	60,216	57,518	24,950
Reinsurance assets	11	4,868,100	3,180,967	3,615,541	1,802,452
Deferred acquisition cost	12	410,093	664,025	273,245	372,952
Other receivables & prepayments	13	692,201	1,514,829	586,765	1,187,839
Investment properties	14	80,480	254,780	80,480	254,780
Investment in associates	15	11,199,306	9,753,691	5,423,440	5,423,440
Investment in subsidiaries	16	-	-	9,259,506	5,360,915
Intangible assets	17	513,106	509,087	364,227	486,088
Property and equipment	18	3,451,949	3,433,972	3,199,229	3,189,119
Right of use asset	19	151,758	187,273	-	-
Current income tax asset	26	31,996	22,499	-	-
Deferred tax asset	25	438,322	305,986	438,322	305,986
Statutory deposit	20	695,070	636,420	300,000	300,000
TOTAL ASSETS		39,723,562	30,745,519	28,153,661	21,556,410
LIABILITIES					
Insurance contract liabilities	21	10,904,867	8,698,870	7,066,561	4,675,005
Investment contract liabilities	22	1,120,526	1,255,707	-	-
Trade payables	23	201,665	297,746	136,939	37,921
Other payables	24a	2,268,485	1,678,550	1,937,867	2,132,982
Lease liability	24b	83,163	102,965	-	-
Current income tax	26	176,000	192,056	43,359	80,158
TOTAL LIABILITIES		14,754,706	12,225,894	9,184,726	6,926,066
EQUITY					
Equity attributable to owners					
Share capital	27	11,995,952	6,691,369	11,995,952	6,691,369
Share premium	28	4,612,938	6,194,983	4,612,938	6,194,983
Contingency reserves	29	3,311,312	2,832,197	2,723,639	2,374,532
Other reserves	30	2,549,744	1,003,026	1,074,593	689,358
Retained earnings & Accumulated losses	31	2,498,910	1,798,050	(1,438,187)	(1,319,898)
TOTAL EQUITY		24,968,856	18,519,625	18,968,935	14,630,344
TOTAL LIABILITIES AND EQUITY		39,723,562	30,745,519	28,153,661	21,556,410

These financial statements were approved by the board of directors (BOD) on 22 April 2021 and signed on behalf of the board of directors by the directors listed below:

Mutiu Sunmonu
FRC/2014/IODN/00000006187
Chairman

Adeyinka Adekoya
FRC/2016/CIIN/00000013893
Managing Director

Oyewole Akinlemibola
FRC/2021/001/00000023135
Ag Chief Finance Officer

The statement of significant accounting policies and the accompanying notes form an integral part of these financial statements.

Consolidated and Seperate Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020

	Notes	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Gross premium written	32	16,185,896	15,201,362	11,636,903	10,709,420
Gross premium income	32	17,293,815	15,896,536	12,337,208	11,819,205
Reinsurance expenses	32	(9,934,193)	(8,083,550)	(8,463,606)	(6,840,814)
Net premium income	32	7,359,622	7,812,986	3,873,602	4,978,391
Fee and commission income	33	2,109,390	1,665,323	1,750,144	1,386,629
Net underwriting income		9,469,013	9,478,309	5,623,746	6,365,020
Claims expenses	34	(6,909,799)	(4,076,572)	(4,954,687)	(2,227,370)
Claims expenses recoverable	34	3,703,624	1,023,498	3,088,755	518,080
Net insurance benefits and claims		(3,206,175)	(3,053,074)	(1,865,932)	(1,709,290)
Underwriting expenses	35	(2,983,105)	(3,427,611)	(2,036,327)	(2,873,543)
Increase in individual life fund	21(e)	11,529	(72,117)	-	-
Total underwriting expenses		(6,177,751)	(6,552,803)	(3,902,258)	(4,582,833)
Underwriting profit		3,291,262	2,925,506	1,721,488	1,782,187
Investment income	36(a)	922,174	912,297	801,951	1,114,003
Profit on investment contracts	36(b)	193,223	195,290	-	-
Net realised gain on financial assets	37	67,218	-	65,647	-
Net fair value gain on assets at fair value through profit or loss	38	-	1,300	-	1,300
Other operating income	39	782,355	282,752	668,377	140,889
		1,964,970	1,391,639	1,535,975	1,256,193
Net income		5,256,232	4,317,145	3,257,463	3,038,379
Management expenses	41(b)	(5,185,565)	(5,357,279)	(2,954,435)	(3,478,962)
Intercompany borrowing cost	41(c)	-	-	-	(96,861)
Finance cost on lease	24(b)	(9,162)	(6,833)		
Net expected credit loss write back/(charge) on financial assets at amortised cost	42(a)	(182,236)	17,736	(180,860)	12,604
Net expected credit loss on financial assets at at fair value through OCI	42(b)	(51,681)	(11,511)	(6,852)	(8,209)
Expenses		(5,428,644)	(5,357,887)	(3,142,147)	(3,571,428)
Operating (loss)/profit		(172,412)	(1,040,741)	115,316	(533,049)

		Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Share of profit of associate	15(c)	1,317,621	1,064,366	-	-
Profit/(loss) before tax		1,145,209	23,625	115,316	(533,049)
Income tax	26	56,951	190,702	100,176	224,067
Profit/(loss) after tax for the year		1,202,159	214,327	215,492	(308,982)
Other comprehensive income, net of tax					
Items that are or may be reclassified to profit or loss:					
Foreign currency translation difference of foreign operations	30(b)	259,968	(148,122)	-	-
Net changes in fair value through OCI debt financial instruments:					
- Unrealised net gains arising during the period	38(b)	586,711	293,070	271,357	9,604
- Net changes in ECL allowance on FVOCI during the period	38(b)	61,118	11,511	16,288	9,435
Share of other comprehensive income of associates	15(c)	552,998	351,082	-	-
Items that will not be reclassified to profit or loss:					
Revaluation gain on property and equipment	38(b)	-	194,977	-	194,977
Deferred tax on revaluation gain on property and equipment		-	(54,119)	-	(54,119)
Net changes in fair value through OCI equity financial instruments:					
- Fair value gain on equity securities during the period	38(b)	66,716	546,592	78,384	523,812
- Exchange gain on FVOCI equity securities during the period	38(b)	34,532	-	34,532	-
- Net reclassification adjustments for disposed FVOCI Equities	38(b)	(15,326)	-	(15,326)	-
Other comprehensive income for the year, net of tax		1,546,718	1,194,991	385,235	683,708
Total comprehensive income for the year		2,748,877	1,409,319	600,727	374,728
Analysis of profit/(loss) for the year:					
Profit/(loss) atributable to the owners of the Parent		1,202,159	214,327	215,492	(308,982)
Analysis of total comprehensive income for the year:					
Total comprehensive income attributtable to the owners of the Parent		2,748,877	1,409,319	600,727	374,728
Basic earnings / (loss) per share (kobo)	43	7	2	1	(2)

Consolidated Statements of Changes in Equity - Group
For the year ended 31 December 2020
(All amounts in Naira thousands unless otherwise stated)

	Notes	Share capital	Share premium reserves	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2020		6,691,369	6,194,983	2,832,197	1,003,026	1,798,050	18,519,625
Total comprehensive income for the year							
Profit for the year		-	-	-	-	1,202,159	1,202,159
Other comprehensive income							
Net changes in fair value of FVOCI financial instruments	38(b)	-	-	-	586,711	-	586,711
Fair value gain on equity securities during the period	38(b)			-	66,716	-	66,716
Foreign currency translation difference	30(b)	-	-	-	259,968	-	259,968
Share of other comprehensive income of associates	15(c)	-	-	-	552,998	-	552,998
Exchange gain on FVOCI equity securities	38(b)	-	-	-	34,532	-	34,532
ECL impairment on financial assets at FVOCI	38(b)	-	-	-	61,118	-	61,118
Transfer to retained earnings on disposed FVOCI equity securities	38(b)	-	-	-	(15,326)	15,326	-
Total other comprehensive loss for the year		-	-	-	1,546,718	15,326	1,562,043
Total comprehensive loss for year		-	-	-	1,546,718	1,217,485	2,764,202
Transactions with equity holders, recorded directly in equity:							
Shares issued during the year - Rights issue		5,304,583	-	-	-	-	5,304,583
Share issue costs	28/31	-	(308,945)	-	-	(37,510)	(346,455)
Deduction from Share premium - Rights issue discount	28	-	(1,273,100)	-	-	-	(1,273,100)
Transfer to contingency reserves	29	-	-	479,115	-	(479,115)	-
Total transactions with owners		5,304,583	(1,582,045)	479,115	-	(516,625)	3,685,028
Balance at 31 December 2020		11,995,952	4,612,938	3,311,312	2,549,744	2,498,910	24,968,856

Statement of Changes in Equity - Company
For the year ended 31 December 2020
(All amounts in Naira thousands unless otherwise stated)

	Notes	Share Capital	Share premium reserves	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2020		6,691,369	6,194,983	2,374,532	689,358	(1,319,898)	14,630,343
Total comprehensive income for the year							
Profit for the year		-	-	-	-	215,492	215,492
Other comprehensive income							
Net changes in fair value of FVOCI financial instruments	38(b)	-		-	271,357	-	271,357
Fair value movement on equity securities during the year	38(b)	-	-	-	78,384	-	78,384
Exchange gain on FVOCI equity securities	38(b)	-	-	-	34,532	-	34,532
ECL impairment on financial assets at FVOCI	38(b)	-	-	-	16,288	-	16,288
Transfer to retained earnings on disposed FVOCI equity securities	38(b)				(15,326)	15,326	-
Total other comprehensive loss for the year		-	-	-	385,235	15,326	400,561
Total comprehensive loss for year		-	-	-	385,235	230,818	616,053
Transactions with equity holders, recorded directly in equity:							
Shares issued during the year - Rights issue		5,304,583	-	-	-	-	5,304,583
Deduction from Share premium - Rights issue discount	28	-	(1,273,100)	-	-	-	(1,273,100)
Share issue costs	28	-	(308,945)	-	-	-	(308,945)
Transfer to contingency reserves	29	-	-	349,107	-	(349,107)	-
Total transactions with owners		5,304,583	(1,582,045)	349,107	-	(349,107)	3,722,538
Balance at 31 December 2020		11,995,952	4,612,938	2,723,639	1,074,593	(1,438,187)	18,968,935

Consolidated Statements of Changes in Equity - Group
For the year ended 31 December 2019
(All amounts in Naira thousands unless otherwise stated)

	Notes	Share capital	Share premium reserves	Contingency reserves	Other reserves	Retained earnings	Total equity
Balance at 1 January 2019		6,691,369	6,194,983	2,436,203	(191,965)	1,979,717	17,110,307
Total comprehensive income for the year							
Profit for the year		-	-	-	-	214,327	214,327
Other comprehensive income							
Net changes in fair value of FVOCI financial instruments	38(b)	-	-	-	293,070	-	293,070
Fair value loss on equity securities during the period	38(b)			-	546,592	-	546,592
Foreign currency translation difference	30(b)	-	-	-	(148,122)	-	(148,122)
Revaluation gain on property and equipment, net of tax	30(a)	-	-	-	140,858	-	140,858
Share of other comprehensive income of associates	15(c)	-	-	-	351,082	-	351,082
ECL Impairment on financial assets at FVOCI	38(b)	-	-	-	11,511	-	11,511
Total other comprehensive loss for the year		-	-	-	1,194,991	-	1,194,991
Total comprehensive loss for year		-	-	-	1,194,991	214,327	1,409,318
Transactions with equity holders, recorded directly in equity:							
Transfer to contingency reserves	29	-	-	395,994	-	(395,994)	-
Total transactions with owners		-	-	395,994	-	(395,994)	-
Balance at 31 December 2019		6,691,369	6,194,983	2,832,197	1,003,026	1,798,050	18,519,625

Statement of Changes in Equity -Company
For the year ended 31 December 2019
(All amounts in Naira thousands unless otherwise stated)

	Notes	**Share Capital**	**Share premium reserves**	**Contingency reserves**	**Other reserves**	**Retained earnings**	**Total equity**
Balance at 1 January 2019		6,691,369	6,194,983	2,053,249	5,650	(689,633)	14,255,618
Total comprehensive income for the year							
Loss for the year		-	-	-	-	(308,982)	(308,982)
Other comprehensive income							
Net changes in fair value of FVOCI financial instruments	38(b)	-	-	-	19,039	-	19,039
Revaluation gain on property and equipment, net of tax	30(a)	-	-	-	140,858	-	140,858
Fair value loss on equity securities during the year	38(b)	-	-	-	523,811	-	523,811
Total other comprehensive income for the year		-	-	-	683,708	-	683,708
Total comprehensive income for year		-	-	-	683,708	(308,982)	374,726
Transactions with equity holders, recorded directly in equity:							
Transfer to contingency reserves	29	-	-	321,283	-	(321,283)	-
Total transactions with owners		-	-	321,283	-	(321,283)	-
Balance at 31 December 2019		6,691,369	6,194,983	2,374,532	689,358	(1,319,898)	14,630,344

Consolidated and Seperate Statements of Cash flows for the year ended 31 December 2020

	Notes	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Operating activities					
Premiums received		15,801,411	14,790,767	11,586,274	10,201,008
Fees and commission received		2,003,961	1,756,043	1,663,951	1,444,351
Fees and commission paid		(2,964,455)	(3,223,077)	(1,935,203)	(2,779,959)
Reinsurance premiums paid		(8,548,866)	(7,606,374)	(7,868,009)	(6,438,235)
Gross claims paid to policy holders	34	(3,743,924)	(4,043,239)	(1,862,827)	(2,026,140)
Reinsurance recoveries on claims		780,560	982,842	777,670	507,568
Payments to employees		(1,095,625)	(1,338,225)	(676,819)	(898,836)
Other operating cash payments		(1,777,247)	(3,604,545)	(1,643,558)	(3,629,890)
Other operating cash receipts		12,422	282,751	295,589	140,889
Receipts from Investment contract	22(b)	903,058	1,027,441	-	-
Payments to Investment contract	22(b)	(962,186)	(836,488)	-	-
Premium received in advance	24	799,150	-	-	-
Cash paid for statutory deposit	20	-	(16,445)	-	-
Tax paid	26(a)	(91,442)	(156,427)	(68,959)	(126,722)
Net cash generated from/(used in) operating activities		**1,116,819**	**(1,984,976)**	**268,109**	**(3,605,965)**
Investing activities					
Disposal of deposit for shares		-	270,560	-	135,280
Purchases of property and equipment	18	(430,019)	(197,659)	(314,632)	(64,071)
Purchases of intangible assets	17	(158,294)	(159,335)	(31,740)	(150,436)
Purchases of investment in subsidiaries	16 (d)	-	-	(3,898,591)	-
Purchases of investment securities	9(c)	(16,678,677)	(8,319,697)	(7,721,148)	(3,408,694)
Proceeds from redemption of investment securities	9(c)	12,566,447	7,892,486	7,207,990	3,865,713
Proceeds from sale of investment properties	14(f)	53,055	-	53,055	-
Rental income received		1,367	2,400	1,367	970,628
Dividend income received from Associate		-	-	425,004	425,004
Other dividend income received		25,058	123,708	25,058	123,708
Interest income received		884,819	731,511	411,533	158,495
Net cash (used in)/generated from investing activities		**(3,736,244)**	**343,974**	**(3,842,104)**	**2,055,627**
Financing activities					
Proceeds from issue of shares		3,898,591	-	3,898,591	-
Principal payment on lease	24(a)	(22,576)	(67,207)	-	-
Lease payments (interest)	24(a)	(6,387)	(26,514)		
Net cash generated from/(used in) financing activities		**3,869,628**	**(93,721)**	**3,898,591**	**-**
Cash and cash equivalents at beginning of year	8	1,153,511	2,888,234	506,399	2,056,737
Effect of exchange rate fluctuations on cashheld		7,205	-	7,205	-
Net increase/(decrease) in cash and cash equivalents		1,250,202	(1,734,723)	324,596	(1,550,338)
Cash and cash equivalent at end of year	8	**2,410,919**	**1,153,511**	**838,200**	**506,399**

Summary of Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents is as follows:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Cash at bank and in hand	1,337,157	641,465	371,081	310,859
Money market placements	1,073,762	512,047	467,119	195,540
	2,410,919	**1,153,511**	**838,200**	**506,399**

5. Financial risk management
Introduction and Overview

In 2020, the Global economies recorded a weak paced growth which reeled majorly from the Coronavirus (Covid-19) Pandemic. This is the weakest performance since the global financial crisis over a decade ago with major economies such as the United States, China, Italy etc and Nigeria experiencing a decline in economic activities as a result of lockdown restrictions imposed in a bid to curtail the spread of the virus. Major sectors around the world such as Airline & Travel, hospitality, Oil & Trade sectors amongst others experienced difficulty in meeting their earnings and revenue targets due to the disruptive impact the pandemic had on supply chains. This led to the dissolution of major Companies worldwide especially in the United States but created a boom in the Information Technology sectors as the need for technological services and online interaction increased. However, the emergence of a vaccine raises optimism amongst global investors and the global economy as a whole.

The Nigeria Political and Economic landscape witnessed major activities during the year such as, increased inflation rate, recessionary growth due to decline in economic activities, political instability, dwindling naira value in the FX markets, increased debt, tight monetary and fiscal policy pursued by Government amongsts others.

The company's risk management framework was able to anticipate several of these challenging situations and these risks were managed within acceptable tolerances. During the year, the risk management unit continued conducting and further enhancing its stress testing and scenario analyses, assessing the company's resilience to macroeconomic and various market scenarios.

In the past eight years, the risk management system is enhanced to align its operations to the company's approved risk appetite. The Company has taken risk management as an integral part of its operations and business activities by continuously optimizing risk management framework and standardizing its risk management procedures through the adoption of both qualitative and quantitative risk management methodologies to identify, evaluate and mitigate risks. A robust risk management system is maintained to support our decision-making and facilitate the effective and sustainable growth in transforming and illuminating the insurance industry.

Our risk management framework provides essential tools to enable us take timely and informed decisions to maximize opportunities and mitigate potential threats. The Group's risk management had maintained a strong and sustained focus on planning for the possibility of, and ultimately managing the market volatility and macroeconomic uncertainty. Our well-established risk governance structure and experienced risk team has allowed us to control successfully risk exposures to the Group throughout the year.

In order to exceed our customers and other stakeholders' expectations, the Group ensures that adequate capital (economic or regulatory) is held at all times. In making business decisions on risk capital, the Group's risk profile and cost of capital are considered. The capital position of Coronation Insurance Plc is closely monitored and regular stress tests (standardized and historical stress test scenarios) are applied. This allows the Group to take appropriate measure to safeguard its continued capital and solvency strength.

As Risk management is part of our culture in Coronation Insurance, workshops were conducted Group-wide during the year on Economic Capital, Capital Management, Risk-Adjusted Performance Measures and Own Risk Solvency Assessment (ORSA) with a view to grow the risk culture maturity level across the Group on risk and capital.

Our Approach to Risk Management
Assisting our shareholders to achieve their ambitions lies at the heart of our processes as we apply tailored risk management framework in identifying, assessing, monitoring, controlling and reporting the inherent and residual risks associated with the pursuit of these ambitions and ensuring they are achieved the right way. We help in connecting our customers to opportunities through our affirmed promise of risk insured rest assured.

Coronation Insurance Plc's overall risk tolerance is established in the context of our earnings power, capital, and diversified business model. The organizational structure and business strategy is aligned with its risk philosophy. As we navigate through new frontiers in a growth market in the ever-dynamic risk universe, proactive ERM framework becomes even more critical. We are committed to continually push the frontiers of overall risk profile whilst remaining responsive to the ever-dynamic risk universe.

The Group's risk management architecture, as designed, continued to balance corporate oversight with well-defined risk management functions, which fall into one of three categories where risk must be managed: lines of business, governance and control and corporate audit. The Board of Directors and management are committed to constantly establishing, implementing and sustaining tested practices in risk management to align with those of leading international insurance companies. We are committed that the long-term sustainability of the Group depends critically on the proper governance and effective management of our business. As such, risk management occupies a significant position of relevance and importance in the Group.

The role of the Chief Risk Officer in the Group remains pivotal, as he has the primary responsibility for ensuring the effective implementation of the ERM Framework for both the Group and its subsidiaries. The Group's ERM Framework requires Board approval, whilst the Risk Management Group is responsible for the enforcement of the Group's risk policy by constantly monitoring risk, with the aim of identifying and quantifying significant risk exposures and acting upon such exposures as necessary.

Balancing Risk and Return
Balancing risk and return and taking cognizance of the capital demands rigorous analysis. The ultimate aim is to optimize the opportunities and minimize the threats with a view to adding value to our shareholders and providing security to our other capital providers and clients, as well as ensuring overall sustainability in our business activities. Every business activity in the Group requires capital, which is at risk in exchange for the prospect of earning a return. In some activities, the level of return is predictable, whereas in other activities the level of return can vary over a very wide spectrum, ranging from a loss to a profit. Accordingly, over the past years, we have expended substantial energy on improving our Risk and Capital Management Framework, to focus on taking risks where we:

• Understand the nature of the risks we are taking, and what range of outcomes could be under various scenarios, for taking these risks;
• Understand the capital required in order to assume these risks;
• Understand the range of returns that we can earn on the capital required to back risks; and
• Attempt to optimize the risk-adjusted rate of return we can earn. This is through reducing the range of outcomes and capital required arising from these risks, and increasing the certainty of earning an acceptable return.

The Group's objective of balancing risk, return and capital has enhanced substantially our risk management methodologies. This enables the Group to identify threats, uncertainties and opportunities and in turn develop mitigation and management strategies to achieve an optimal outcome.

Value is added for shareholders if our process allows us to demonstrate sustainable risk-adjusted returns in excess of our cost of capital. The process provides security to our capital providers and clients by assuring them that we are not taking on incremental risks, which adversely affect the outcomes we have contracted to deliver to them.

Enterprise-wide Scenario and Stress Testing
A robust and appropriate scenario stress testing is adopted to assess the potential impact on the Group's capital adequacy and strategic plans. Our stress testing and scenario analysis programme is central to the monitoring of strategic and potential risks. It highlights the vulnerabilities of our business and capital plans to the adverse effects of extreme but plausible events.

As a part of our core risk management practice, the Group conducts enterprise-wide stress tests on a periodic basis to understand better earnings, capital and liquidity sensitivities to certain economic scenarios, including economic conditions that are more severe than anticipated. The outcome of the testing and analysis is used to assess the potential impact of the relevant scenarios on the demand for regulatory capital compared with its available capital. These enterprise-wide stress tests provide an understanding of the potential impacts on our risk profile, capital and liquidity. It generates and considers pertinent and plausible scenarios that have the potential to adversely affect our business.

Stress testing and scenario analysis are used to assess the financial and management capability of the Group to continue operating effectively under extreme but plausible trading conditions. Such conditions may arise from economic, legal, political, environmental and social factors. Scenarios are carefully selected and impacts on each line of business from each scenario are then analyzed and determined, primarily leveraging the models and processes utilized in everyday management routines. Impacts are assessed along with potential mitigating actions that may be taken in each scenario. The Group would continue to invest in and improve stress-testing capabilities as a core business process.
The Group's stress-testing framework is designed to:
• Identify key risks to our strategy, financial position, and reputation
• Contribute to the setting and monitoring of risk appetite
• Examine the nature and dynamics of the risk profile and assess the impact of stresses on our profitability and business plans
• Ensure effective governance processes and systems are in place to co-ordinate and integrate stress testing Inform senior management

Risk Management Philosophy, Culture, Appetite and Objectives
Our Risk Culture Statement:
At Coronation, we embrace a moderate risk appetite, whilst delivering strategic objectives. We anticipate the risks in our activities and reward behaviour that aligns with our core values, controls and regulations. We discuss challenges encountered in an open environment of partnership and shared responsibility.

The Group's Risk management philosophy and culture remain fundamental to the delivery of our strategic objectives. We strive to limit adverse variations in earnings and capital by managing risk exposures within our moderate risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and the prudent management of liquidity and capital.

Financial risk management

We improved further our risk management process to continue achieving desired results despite the increased economic uncertainty and in size and scale of operations. The Group’s risk management is continuously developing with improvements, as there can be no assurance that all market developments, in particular those of extreme nature, can be fully anticipated at all times. Hence, management has remained closely involved with important risk management initiatives, which have focused on preserving appropriate levels of liquidity and capital, as well as managing the risk inherent in the portfolios.

Risk management is fundamental to the Group's decision-making and management process. It is embedded in the role of all employees through the organizational culture, thus enhancing the quality of strategic, capital allocation and day-to-day business decisions.

The Group considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterize how the Group considers risk in everything it does, from strategy development and implementation to its day-to-day activities. In this regard, the Group’s risk management philosophy is that a moderate and guarded risk attitude ensures sustainable growth in shareholder value and reputation.

The Group believes that enterprise risk management provides the superior capabilities to identify and assess the full spectrum of risks and to enable staff at all levels better understand and manage risks. This will ensure that:

- Risk acceptance is done in a responsible manner;
- The executive and the Board of the Group have adequate risk management support;
- Uncertain outcomes are better anticipated;
- Risk mitigating actions are implemented;
- Accountability is strengthened; and
- Stewardship is enhanced.

The Group identifies the following attributes as guiding principles for its risk culture;

(a) Management and culture:

- Consider all forms of risk in decision-making;
- Create and evaluate business-unit and Group-wide risk profile to consider what is best for their individual business units/department;
- Adopt a portfolio view of risk in addition to understanding individual risk elements;
- Retain ownership and accountability for risk and risk management at the business unit or other point of influence level;
- Accept that ERM is mandatory, not optional
- Strive to achieve best practices in enterprise risk management;
- Document and report all significant risks and enterprise-risk management deficiencies;
- Adopt a holistic and integrated approach to risk management and bring all risks together under one or a limited number of oversight;
- Empower risk officers to perform their duties professionally and independently without undue interference;
- Ensure clear segregation of duties between market facing business units and risk management/control functions;
- Strive to maintain a conservative balance between risk and profit considerations; and
- Continue to demonstrate appropriate standards of behaviour in development of strategy and pursuit of objectives.
- Internalize and share the Group’s Risk Culture Statement and Pledge to affirm commitment to desired behaviour.

b) Risk officers partner with other stakeholders within and outside the Group and are guided in the exercise of their powers by a deep sense of responsibility, professionalism and respect for other parties.

c) The Group also partners with its customers to improve their attitudes to risk management and encourage them to build corporate governance culture into their business management

d) Risk management is governed by well-defined policies, which are clearly communicated across the Group.

e) Equal attention is paid to both quantifiable and non-quantifiable risks

f) The Group avoids products and businesses it does not understand.

Strategy and Business Planning

Risk management is embedded in our business strategy and planning cycle. Testament to this is the inclusion of risk management as one of our strategic priorities. By setting the business and risk strategy, we are able to determine appropriate capital allocation and target setting for the Group and each of our businesses.

All business units are required to consider the risk implications of their annual plans. These plans include analysis of the impact of objectives on risk exposure. Throughout the year, business performance is monitored regularly focusing both on financial performance and risk exposure. The aim is to continue the process of integrating risk management into the planning and management process and to facilitate informed

Through ongoing review, the links between risk appetite, risk management and strategic planning are embedded in the business so key decisions are made in the context of the risk appetite for each business unit.

Risk Appetite
Risk appetite is an articulation and allocation of the risk capacity or quantum of risk the Group is willing to accept in pursuit of its strategy, duly set and monitored by the Executive Committee and the Board, and integrated into our strategy, business, risk and capital plans. Risk appetite reflects the Group's willingness and capacity to absorb potential losses arising from a range of potential outcomes under different stress

The Group defines its risk appetite in terms of both volatility of earnings and the maintenance of minimum regulatory capital requirements under stress scenarios. Our risk appetite can be expressed in terms of how much variability of return the Group is prepared to accept in order to achieve a desired level of result. It is determined by considering the relationship between risk and return. We measure and express risk appetite qualitatively and in terms of quantitative risk metrics. The quantitative metrics include earnings at risk (or earnings volatility), liquidity and economic capital adequacy. In addition, a large variety of risk limits, triggers, ratios, mandates, targets and guidelines are in place for all the financial risks (e.g. credit, market, liquidity, asset and liability management risks).

The assessment of the Group's risk profile is through a 'bottom-up' analytical approach covering all of the Group's major businesses and products. The Board approves the risk appetite and it forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix. The Risk Management function annually review the Risk Appetite and the Board approves recommended changes therein.

In 2020, the Risk Management function tracked and reported the risk appetite metrics against approved triggers and exceptions to management for prompt corrective actions. Also, reporting and escalations of key issues and corrective actions were taken to the Enterprise-wide Risk Management Committee and Board Risk Management Committee.

Risk Management Objectives
The broad risk management objectives of the Group are:
- To identify and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost;
- To protect against unforeseen losses and ensure stability of earnings;
- To maximize earnings potential and opportunities;
- To maximize share price and stakeholder protection;
- To enhance credit ratings and depositor, analyst, investor and regulator perception; and
- To develop a risk culture that encourages all staff to identify risks and associated opportunities and to respond to them with cost effective

Risk Categorization
The Group is exposed to an array of risks through its operations. The Group has identified and categorized its exposure to these broad risks as listed below:
- Credit risk
- Operational risk
- Market risk
- Liquidity risk
- Underwriting risk
- Strategic risk
- Capital risk
- Reputational risk
- Information Technology (IT) risk

These risks and the framework for their management are detailed in the Enterprise-wide Risk Management Framework.

Risk Management Responsibilities and Functions
The responsibilities of the Risk Management Group, the Financial Control and Strategy Group, and other key stakeholders with respect to risk management are highlighted below:

Risk Management Group
a) Champion the implementation of the ERM Framework across the Group and subsidiaries.
b) Develop risk policies, principles, process and reporting standards that define the Group's risk strategy and appetite in line with the Group's overall business objectives.
c) Ensure that controls, skills and systems are in place to enable compliance with the Group's policies and standards, and with all regulatory requirement.
d) Facilitate the identification, measurement, assessment, monitoring and control of the level of risks in the Group.

e) Embed risk culture in the Group to ensure that everyone in the Group takes into consideration Coronation's risk appetite in whatever they do.
f) Collect, process, verify, monitor and distribute risk information across the Group and other material risk issues to senior management, the Board and regulators.
g) Monitor compliance with Group-wide risk policies and limits.
h) Empower Business unit risk champion to identify, monitor and report on the effectiveness of risk mitigation plans in reducing risk incidence as related to day to day activities in the unit.
i) Ensure that laws, regulations and supervisory requirements are complied with including consequence management.
j) Champion the implementation of Solvency II
k) Promote risk awareness and provide education on risk.
l) Provide assurance on compliance with internal and external policies with respect to risk management.

Financial Control and Strategy
a) Prepare and monitor the implementation of the Group's Strategic Plan
b) Conduct strategic and operational review of the Group's activities
c) Conduct regular scanning of the Group's operating environment
d) Coordinate and monitor the Group's rating exercises by external rating agencies
e) Prepare business intelligence reports for the Group's management
f) Prepare periodic management reports on subsidiaries and associates
g) Perform competitive analysis in comparison with industry peers
h) Conduct strategic/operational review of branches

Risk Management Unit – relationship with other units
The relationships between risk management unit (RMU) and other units are highlighted below:
- RMU sets policies and defines risk limits for other units in the Group;
- RMU performs group-wide risk monitoring and reporting;
- Other units provide relevant data to RMU for risk monitoring and reporting and identify potential risks in their line of business and RMU provides a framework for managing such risks;
- RMU and market facing units collaborate in designing new products;
- RMU and internal audit co-ordinate activities to provide a holistic view of risks across the Group;
- RMU makes recommendations with respect to capital allocation, pricing and reward/sanctions based on risk reports; and
- Information technology support group provides relevant user support to the RMU function in respect of the various risk management

Group risk oversight approach
Our oversight starts with the strategy setting and business planning process. These plans help us articulate our appetite for risk, which is then set as risk appetite limits for each business unit to work within.

The Group's risk management and compliance division provides a central oversight of risk management across the Group to ensure that the full spectrum of risks facing the Group are properly identified, measured, monitored and controlled in order to minimize adverse outcomes.

The division is complemented by the financial control and regulatory/reputation risk group in the management of strategic and reputational risks respectively.

The Chief Risk Officer coordinates the process of monitoring and reporting risks across the Group. Internal audit has the responsibility of auditing the risk management and control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Audit also tests the adequacy of internal controls and makes appropriate recommendations where there are weaknesses.

Risk Identification and Classification
Credit risk:
Credit risk is the risk of default arising from the uncertainty of counterparty's ability to perform its contractual obligations. This may arise from the following but not limited to premium receivables, reinsurance recoveries, fund placements in deposit money banks, vendors, and fund's managers. However, in terms of premium payment and investments in counterparties, considerable risks exist that brokers and lead insurers who are allowed extended payment period may default.

Operational risk:
This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes legal risk, strategic risk and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

Market risk:
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to movements in market factors. Volatility frequently refers to the standard deviation of the change in value of a financial instrument with a specific time horizon.

The Group is exposed to this risk through its financial assets and comprises of:

- Interest rate risk: the risk that the fair value of a fixed income security will fall as a result of movement in market interest rates. Interest rate risk also arises from fluctuations in future cash flows of a financial instrument because of changes in market interest rates.

- Equity price risk: the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks.

- Foreign Exchange risk: The risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates associated with foreign currency denominated transactions which the Group is exposed to.

- Property price risk: the risk arising from changes in the market value of properties and fluctuations in expected rental incomes.

Liquidity risk:
Liquidity risk is the risk that the Group may be unable to meet its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. The Group recognizes the risk of loss due to insufficient liquid assets to meet cash flow requirements or to fulfill its financial obligation once a claim crystallize.

- Asset liquidity risk: arising from our financial assets where we might not be able to execute transactions at prevailing market price because there is temporarily, no appetite for the deal at the other side of the market.

Underwriting risk:
Underwriting activities are primarily concerned with the pricing, acceptance and management of risks arising from our contracts with policyholders. It entails the risk that:

- The prices charged by the Group for insurance contracts will be ultimately inadequate to support the future obligations arising from those contracts, risk exposure under its insurance contracts that were unanticipated in the design and pricing of the insurance contract;

- Risks are not adequately ceded to reinsurers exposing the Group to potential high claims pay-out;

- Many more claims occur than expected or that some claims that occur are much larger than expected claims resulting in unexpected losses;

- The Group's policyholder will act in ways that are unanticipated and have an adverse effect on the Group.

Reputational risk:
The Group is exposed to this risk through events that damage its image amongst stakeholders and the public which may impair the ability to retain, generate and drive a sustainable business. We understand that reputational risk is the biggest risk to our business as it poses a special threat to the confidence of our customers, regulators and industry.

Risk Management Governance Framework
The framework details Coronation Insurnace' risk universe and governance structure comprising three distinct layers:
1. The enterprise-wide risk management and corporate governance committee forums;
2. The executive management committees; and
3. Risk management responsibilities per risk area.

Roles of the Board of Directors
The Board of Directors' role as it relates to risk management is divided into seven areas; general, credit, market, liquidity, underwriting, operational, reputational and strategic risk. Specific roles in these areas are further defined below:

General
a) Develop a formal enterprise-wide risk management framework;
b) Review and approve the establishment of a risk management function that would independently identify, measure, monitor and control risks inherent in all risk-taking units of the Group;
c) Ratify the appointment of qualified officers to manage the risk management function;
d) Approve and periodically review the Group's risk strategy and policies;

e) Approve the Group's risk appetite and monitor the Group's risk profile against this appetite;
f) Ensure that the management of the Group has an effective ongoing process to identify risk, measure its potential impact and proactively manage these risks;
g) Ensure that the Group maintains a sound system of risk management and internal control with respect to:
- Efficiency and effectiveness of operations
- Safeguarding of the Group's assets (including information)
- Compliance with applicable laws, regulations and supervisory requirements
- Reliability of reporting
- Behaving responsibly towards all stakeholders

h) Ensure that a systemic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually;
i) Ensure that management maintains an appropriate system of internal control and review its effectiveness;
j) Ensure risk strategy reflects the Group's tolerance for risk;
k) Review and approve changes/amendments to the risk management framework;
l) Review and approve risk management procedures and control for new products and activities; and
m) Periodically receive risk reports from management highlighting risk areas, control failures and remedial action steps taken by management.

Credit Risk
a) Approve Coronation Insurance overall risk tolerance in relation to credit risk based on the recommendation of the Group Chief Risk Officer;
b) Ensure that Coronation Insurance overall counterparty credit risk exposure is maintained at prudent levels and consistent with the available capital through quarterly review of various types of credit exposure;
c) Ensure that top management as well as individuals responsible for counterparty credit risk management possess the requisite expertise and knowledge to accomplish the risk management function;
d) Ensure that the Group implements a sound methodology that facilitates the identification, measurement, monitoring and control of credit
e) To put in place effective internal policies, systems and controls to identify, measure monitor, and control credit risk concentrations.
f) Ensure that detailed policies and procedures for credit risk exposure creation, management and recovery are in place; and
g) Appoint credit officers and delegate approval authorities to individuals and committees.

Market Risk
a) Define Group overall risk appetite in relation to market risk;
b) Ensure that the Group's overall market risk exposure is maintained at levels consistent with the available capital;
c) Ensure that top management as well as individuals responsible for market risk management possess sound expertise and knowledge to accomplish the risk management function;
d) Approve the Group's strategic direction and tolerance level for liquidity risk;
e) Ensure that the Group's senior management has the ability and required authority to manage liquidity risk;
f) Approve the Group's liquidity risk management framework; and
g) Ensure that liquidity risk is identified, measured, monitored and controlled.

Compliance Risk
a) Approve the Group's code of conduct and ethics;
b) Monitor the Group's compliance with laws and regulations, its code of conduct and ethics and corporate governance practices;
c) Ensure new and changed legal and regulatory requirements are identified, monitored and reflected in Group processes;
d) Approve the compliance structure, mechanisms and processes established by management to ensure compliance with current laws, regulations and supervisory requirements; and
e) Ensure the Group's has a compliance culture that contributes to the overall objective of risk management.

Operational Risk
a) Oversee the overall governance of the Group's operational risk management process;
b) Set the Group's operational risk strategy and direction in line with the Group's corporate strategy;
c) Approve the Group's operational risk management framework;
d) Periodically review the framework to ensure its relevance and effectiveness;
e) Ensure that senior management is performing its risk management responsibilities; and
f) Ensure that the Group's operational risk management framework is subject to effective and comprehensive internal audit by operationally independent, appropriately trained and competent staff.

Reputational Risk
a) Set an appropriate tone and guidelines regarding the development and implementation of effective reputation
b) Risk management practices, including an explicit statement of a zero tolerance policy for all unethical behaviour;

c) Approve the Group's framework for the identification, measurement, control and management of reputational risk;

d) Monitor the Group's compliance with its reputational risk management policies and recommend sanctions for material breaches of internal policies;

e) Review all exception reports by external parties such as regulators and auditors; ensure that appropriate sanctions are applied to erring officers; demand from management appropriate explanations for all exceptional items; ensure that management puts in place effective and remedial actions and reports on progress to the Board on an on-going basis;

f) Ensure that Board members do not compromise their fit and proper status with regulators. They shall ensure that only Board members who do not tarnish the Coronation's image and reputation remain as members; and

g) Ensure that only fit and proper persons are appointed to senior management positions in the Group.

Strategic Risk

a) Oversee the strategic risk management process.

b) Ensure that Coronation Insurance has in place an appropriate strategic risk management framework which suits its own circumstances and

c) Ensure that the strategic goals and objectives are set in line with its corporate mission and values, culture, business direction and risk

d) Approve the strategic plan (including strategies contained therein) and any subsequent changes, and review the plan (at least annually) to ensure its appropriateness;

e) Ensure the organization's structure, culture, infrastructure, financial means, managerial resources and capabilities, as well as systems and controls are appropriate and adequate to support the implementation of its strategies.

f) Review high-level reports periodically submitted to the Board on the overall strategic risk profile, and ensure that any material risks and strategic implications identified from those reports are properly addressed; and

g) Ensure that senior management is competent in implementing strategic decisions approved by the Board and supervising such performance on a continuing basis

The Board and Management Committees

The Board of directors is the highest approval authority for risk policies and risk appetite setting in Coronation Insurance. It carries out its oversight function through its standing committees each of which has a charter that clearly defines its purpose, composition, structure, frequency of meetings, duties, tenure, and reporting lines to the Board. In line with best practice, the Chairman of the Board does not sit on any of the Committees. The Board has five standing committees namely: The Board Risk Management and Governance Committee, the Board Audit and Compliance Committee, the Board Establishment and Remuneration Committee, the Board Finance, Investment and General

The management committees which exist in the Company include: The Executive Committee (EXCO), Enterprise-wide Risk Management and Governance Committee (ERMC), Finance, Investment and General Purpose Management Committee (FIMC), Underwriting and Claims Management Committee (UCMC), Operational Risk Managment Committee (ORMC) and Information Technology Steering Committee (ITSC). Without prejudice to the roles of these committees, the full Board retains ultimate responsibility for risk management.

BOARD COMMITTEES	FUNCTIONS
Board Audit and Compliance Committee	• Oversight of financial reporting and accounting • Oversight of the external auditor • Oversight of regulatory compliance • Monitoring the internal control process • Oversight of enterprise risk management
Board Enterprise Risk Management and Governance Committee	• Assist in the oversight of the review and approval of the companies' risk management policy including risk appetite and risk strategy; • Review the adequacy and effectiveness of risk management and controls; • Oversee management's process for the identification of significant risks across the company and the adequacy of prevention, detection and reporting mechanisms; • Review of the company's compliance level with applicable laws and regulatory requirements that may impact the company's risk profile; • Review changes in the economic and business environment, including emerging trends and other factors relevant to the company's risk profile; and • Review large underwritten risks for adequacy of reinsurance and other risk management techniques including environmental & social management system • Review and recommend for approval of the Board risk management procedures and controls for new products and services.
Board Finance, Investment and General Purpose Committee	• Reviews and approves the company's investment policy

	• Approves investments over and above managements' approval limit • Ensures that optimum asset allocation is achieved • Assists the Board on its oversight function of managing financial risks. • Review and make recommendation on long term financial plan for the company. • Review the company capital appropriation. • Provides periodic oversight of Boards approved programs.
Board Establishment and Remuneration Committee	• Advises the Board on its oversight responsibilities in relation to compensation, benefits and all other human resource matters affecting the directors and employees of the Company. • Monitor the Group people-risk universe. • Ensure the right caliber of executive management is attracted, retained, motivated and rewarded. • Provides periodic oversight of Boards approved programs.
Board Information Technology Committee	• Advises the Board on its oversight responsibilities in relation to development and implementation of company's information technology strategy • Monitor company's investment on technology and information systems

Group risk oversight approach

Our risk governance framework of which our risk appetite framework is a significant element, ensure the appropriate oversight of and accountability for the effective management of risk. Our oversight starts with the strategy setting and business planning process. These plans help us articulate our appetite for risk, which is then set as risk appetite limits for each business unit to work within.

The Group's risk management function provides a central oversight of risk management across the Group to ensure that the full spectrum of risks facing the Group are properly identified, measured, monitored and controlled in order to minimize adverse outcomes.

The function is complemented by the financial control and Strategy groups in the management of strategic and reputational risks.

The Chief Risk Officer coordinates the process of monitoring and reporting risks across the Group. Internal audit has the responsibility of auditing the risk management and control function to ensure that all units charged with risk management perform their roles effectively on a continuous basis. Audit also tests the adequacy of internal control and makes appropriate recommendations where there are weaknesses.

Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Our definition of operational risk excludes regulatory risks, strategic risks and potential losses related solely to judgments with regard to taking credit, market, interest rate, liquidity, or insurance risks.

It also includes the reputation and franchise risk associated with business practices or market conduct in which the Group is involved. Operational risk is inherent in the Group's global business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management. This framework includes:

• Recognized ownership of the risk by the businesses;
• Oversight by independent risk management; and
• Independent review by Corporate Audit.

We seek to minimize exposure to operational risk, subject to cost trade-offs. Operational risk exposures are managed through a consistent set of management processes that drive risk identification, assessment, control and monitoring.

The goal is to keep operational risk at appropriate levels relative to the characteristics of our businesses, the markets in which we operate, our capital and liquidity, and the competitive, economic and regulatory environment. Notwithstanding these controls, the Group incurs operational losses.

Our operational risk strategy seeks to minimize the impact that operational risk can have on shareholders' value.

The Group's strategy is to:
• Reduce the likelihood of occurrence of expected events and related cost by managing the risk factors and implementing loss prevention or reduction techniques to reduce variation to earnings.

• Minimize the impact of unexpected and catastrophic events and related costs through risk financing strategies that will support the Group's long term growth, cash flow management and balance sheet protection.

• Eliminate bureaucracy, improve productivity, reduce capital requirements and improve overall performance through the institution of well designed and implemented internal controls.

In order to create and promote a culture that emphasizes effective operational risk management and adherence to operating controls, there are three distinct levels of operational risk governance structure in the Group.

Level 1 refers to the oversight function carried out by the board of directors, board risk committee, operational risk mangement committee (ORMC) and the executive management. Responsibilities at this level include ensuring effective management of operational risk and adherence to the approved operational risk policies.

Level 2 refers to the management function carried out by operational risk management group. It has direct responsibility for formulating and implementing the Group's operational risk management framework including methodologies, policies and procedures approved by the board.

Level 3 refers to the operational function carried out by all business units and support functions in the Group. These units/functions are fully responsible and accountable for the management of operational risk in their respective units. They work in liaison with operational risk management to define and review controls to mitigate identified risks. Internal audit provides independent assessment and evaluation of the Group's operational risk management framework. This periodic confirmation of the existence and utilization of controls in compliance with approved policies and procedures, provide assurance as to the effectiveness of the Group's operational risk management framework. Importantly, the tools used to assess, measure and monitor operational risks in the Group include but are not limited to a loss database of operational risk events; an effective risk and control self-assessment process that helps to analyze business activities and identify operational risks that could affect the achievement of business objectives; and key risk indicators which are used to monitor operational risks on an ongoing basis.

The Group's operational risk framework

The Group's current operational risk framework was implemented to meet internal and regulatory requirements. There has been significant investment in the implementation of improved measurement and management approaches for operational risk to strengthen control, improve customer service, improve process efficiencies and minimize operating losses. The Group recognizes the fact that it is neither cost-effective nor possible to attempt to eliminate all operational risks. Events of small significance are thus expected to occur and are accepted as inevitable with relevant budgeting for these losses being exercised where appropriate. Events of material significance are limited and the Group seeks to reduce the risk from these extreme events in a framework consistent with its agreed risk appetite. Processes are in place to monitor management and future mitigation of such events.

The role of risk department is to establish, implement and maintain the operational risk framework for the modelling and managing of the Group's operational risk, while reinforcing and enabling operational risk management culture throughout the Group. The aim is to integrate, based on international norms and best practices, all operational risk activities and to compile a reliable operational risk profile contributing to the Group's risk- reward profile. The key advantage introduced by the current framework is the financial quantification and modelling of operational risks. This functionality has significantly improved the Group's operational risk measurement and management capabilities.

Management and control responsibilities
The first line of governance for managing operational risk rests with business and operational risk management that forms part of the day-to-day responsibilities of all business unit management. Business unit staff report any identified breakdowns in control and any risk events that may result in financial loss and/or reputation damage. Amongst others, business management are responsible to ensure that processes for identifying and addressing ineffective controls and the mitigating of risk events are implemented and executed. Operational risk teams form the secondary line of governance by ensuring that processes to identify weaknesses are effective and identified weaknesses are acted upon. The Group operational risk profile is presented to the Board quarterly. Control effectiveness is monitored at the Operational Risk Management Committee and at the Board; and the multi-layered system of defenses ensures pro-active operational risk management.

Measuring and managing operational risk
The Group recognizes the significance of operational risk and is committed to enhancing the measurement and management thereof. Within the Group's operational risk framework, qualitative and quantitative methodologies and tools are applied to identify and assess operational risks and to provide management information for determining appropriate mitigating measures.

Risk event data collection and reporting
A standard process is used Group-wide for the recognition, capture, assessment, analysis and reporting of risk events. This process is used to help identify where process and control requirements are needed to reduce the recurrence of risk events. Risk events are loaded onto a central database and reported monthly to the ORMC and ERMC. The Group also uses a database of external public risk events and is part of a consortium of other insurance companies that share loss data information anonymously to assist in risk identification, assessment, modelling and benchmarking.

Risk and control self assessments (RCSA)
In order to pro-actively identify and actively mitigate risks, the operational risk framework utilizes RCSAs. RCSA is used at a granular level to identify relevant material risks and key controls mitigating these risks. The risks and controls are assessed on a quarterly basis and relevant action plans are put in place to treat, tolerate, terminate or transfer the risks, taking into account the relevant business risk appetites. The RCSA programme is extensive and covers the entire Group. The Internal Audit further tests the effectiveness of the RCSAs within the normal course of auditing and relevant metrics are monitored and actioned where relevant.

Key risk indicators (KRIs)
A comprehensive set of KRIs are in place across the Group, with relevant and agreed thresholds set by the business. KRIs are monitored on a Group as well as business unit level, based on significance. Threshold breaches are managed in accordance with an agreed process across the Group.

Reporting
Business units are required to report on both a regular and an event-driven basis. The reports include a profile of the key risks to their business objectives, RCSA and KRI results, and operational risk events. Risk reports are presented to executive management and risk committees.

Heat Map
The Heat map provide a snap shot summary of the significant risk and the ratings and probability of occurrence within a specific period. This forms the basis for estimating the potential operational loss allocating capital to business units. An allocation methodology is applied for allocating capital to business units. For each business unit, the allocation takes into consideration not only the size of the business unit, but also measures of the business unit's control environment. This translates to a risk-sensitive allocation with the opportunity afforded to business to identify actions to positively impact on their respective allocated operational risk capital.

Allocating Capital to Business Units

An allocation methodology is applied for allocating capital to business units. For each business unit, the allocation takes into consideration not only the size of the business unit, but also measures of the business unit's control environment. This translates to a risk-sensitive allocation with the opportunity afforded to business units to identify actions to positively impact on their respective allocated operational risk capital.

Expected loss (EL) budgeting mitigation

The ERM team developed a database for loss event collation named Loss Event Register. This register allows staff to report actual and near-miss (an unplanned event that did not result in injury, illness, or damage – but had the potential to do so) loss events. Summary statistics from the loss event database are used to show trends of total losses and mean average loss, with analysis by type of loss and business line.

Information Security and Continuity of Business

Information security and the protection of confidential and sensitive customer data are a priority of Coronation Insurance Plc. The Group has developed and implemented an Information Security Risk Management framework that is in line with best practice. The framework is reviewed and enhanced regularly to address emerging threats to customers' information.

A critical tool in managing our operational risk is the Business Continuity Plan (BCP) that documents the procedures to be executed by relevant teams in the event of a disaster. The Group assesses the feasibility of its BCP annually by simulating a disaster and gaps noted are properly mitigated to ensure that business operations are not disrupted in the event of a disaster. Furthermore, in a bid to ensure data security, failover tests are conducted periodically to ascertain the effectiveness of our secondary servers as well as the accuracy and completeness of data in the secondary servers.

Information Security and Continuity of Business

• Established the resilience of the Group following a major operational disruption such as the Covid-19 pandemic by conducting a comprehensive test and actual implementation of the business continuity plan. A major outcome of the exercise is our Information Technology (IT) Team's capacity to resume critical IT-related services from anywhere within 3 hours following a major operational disruption.
• The effective communication between our primary servers and secondary servers was ascertained following the conduct of a comprehensive failover test. It was affirmed that our data are accurately and completely backed up in our designated secondary and tertiary servers.
• Established a Digital Division to boost the creation of opportunities for the Group in the digital space and truly position Coronation Insurance as a Group that has come to transform and illuminate the industry.
• Ensured the early identification and effective management of risk issues by conducting a comprehensive risk assessment on all our core business processes.
• In order to guarantee the Group's continuing growth and success, an effective and robust succession plan was established with the sole purpose of ensuring timely replacement of talents occupying key positions.

Key improvements made in 2020 include the following:

• Enhanced the implementation of the Company's cyber-risk management framework through frequent sensitization, awareness creation, alertion and control of all phishing mail threats.
• Successful Implementation of the Group's Business Continuity Plan (BCP) in the Nigeria and Ghana business by establishing buusiness resilience during the Covid-19 disruption.

• Established an Operational Risk Management Committee (ORMC) to oversee and ensure the efficient and effective management of Coronation Insurance significant operational risks.

• Successful validation of the Company's data to ascertain the accuracy of the primary and secondary servers by conducting a comprehensive Failover tests to affirm if data is complete and fully backed up.
• The company conducted the 2019 Own Risk and Solvency Assessment Report to ascertain Coronation Insurance Economic capital adequacy, operating performance, risk profile and business profile dictating the sustainability of its operating performance and its exposure to volatility in its capital
• Strengthened the efficiency, customer experience and Turn-Around-Time within the Digital platform to boost the creation of opportunities for the Company in the digital space.

• Ensured early identification and effective management of risk issues by monitoring the Company's performance in line with the approved Risk Appetite framework.

• Seamless Implementation of the Company's succession plan with the sole purpose of ensuring timely development of key talents to occupy top managerial positions.

Credit Risk Management

Credit risk arises from the failure of a counterparty of the Group to repay amount due as at an agreed date or failure to perform as agreed. The Group's exposure to credit risk is primarily derived from the following activities:

• Unpaid premium from insured or brokers; and
• Non-recovery of claims paid from reinsurers.
• Inability of financial institutions to remit the matured principal investment and accrued interest

The Group is exposed to risk relating to its debt holdings in its investment portfolio, outstanding premiums from brokers and the reliance on reinsurers to make payment when certain loss conditions are met. The Group reviewed its Counterparty Credit Risk policy to incorporate the mitigation against default arising from Co-insurance transactions. Coronation through its governance process increased its monitoring on the Banking industry as it observed the developments in the industry with a view to proactively mitigate any downside risk that may emanate and any Credit risk arising from the increase in loan to deposit ratio by CBN.

The Group's investment portfolio and receivables are exposed to credit risk through its fixed income money market instruments, trade receivables and reinsurance receivables. The maximum exposures from the Group's and Company's financial assets to credit risk are as follows:

31 December 2020

Group				Company		
In thousands of naira				*In thousands of naira*		
	Note					
Cash and cash equivalents	8	2,409,304	14%	Cash and cash equivalents	837,091	20%
Fixed income instruments at FVOCI	9	10,416,882	60%	Fixed income instruments at FVOCI	2,561,931	60%
Fixed income instruments at Amortised cost	9	3,149,918	18%	Fixed income instruments at Amortised cost	411,206	10%
Trade receivables	10	70,181	0%	Trade receivables	57,518	1%
Other receivables (excluding prepayments)	13	564,437	3%	Other receivables (excluding prepayments)	107,022	3%
Reinsurance assets	11	130,723	1%	Reinsurance assets	4,957	0%
Statutory deposit	20	695,070	4%	Statutory deposit	300,000	7%
		17,436,514	100%		4,279,726	100%

31 December 2019

Group				Company		
In thousands of naira				*In thousands of naira*		
	Note					
Cash and cash equivalents	8	1,152,498	10%	Cash and cash equivalents	506,065	13%
Fixed income instruments at FVOCI	9	6,512,678	58%	Fixed income instruments at FVOCI	1,608,937	43%
Fixed income instruments at Amortised cost	9	1,764,857	16%	Fixed income instruments at Amortised cost	362,328	10%
Trade receivables	10	60,216	1%	Trade receivables	24,950	1%
Other receivables (excluding prepayments)	13	1,061,503	9%	Other receivables (excluding prepayments)	851,055	23%
Reinsurance assets	11	124,872	1%	Reinsurance assets	124,872	3%
Statutory deposit	20	636,420	6%	Statutory deposit	300,000	8%
		11,313,044	100%		3,778,207	100%

The Group further manages its exposure to credit risk through counterparty risk via established limits as approved by the Board. These limits are determined based on credit ratings of the counterparty amongst other factors. All fixed income investments are measured for performance on a quarterly basis and monitored by management on a monthly basis.

Cash and cash equivalents

The Group held cash and cash equivalents of N838 million at 31 December 2020 (2019: N506 million) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with Access Bank Plc (which was rated as A+ by Fitch) and other banks (B+ to B-). The Group monitors the fund's liquidity position with the banks on a daily basis.

The Company's exposures to banks and finance houses as at 31 December 2020 is represented below:

Company portfolio		
Counterparty	**Investment in money market**	**%**
National Banks	467,119	100%
Other Banks	-	-
Total	**467,119**	**100%**

The Company's exposures to banks and finance houses as at 31 December 2019 is represented below:

Company portfolio		
Counterparty	**Investment in money market**	**%**
National Banks	195,540	100%
Other Banks	-	-
Total	**195,540**	**100%**

The table below shows the credit quality and staging of debt instruments at amortised cost and FVOCI

Group

Rating	Staging	Exposure	%
B+ (Fitch)	Stage 1	12,664,210	93%
B (Fitch)	Stage 1	937,127	7%
Total		**13,601,337**	
Carrying amount		**13,566,799**	**100%**

Company

Rating	Staging	Exposure	%
B+ (Fitch)	Stage 1	2,850,015	96%
B (Fitch)	Stage 1	125,674	4%
Total		**2,975,689**	
Carrying amount		**2,973,137**	**100%**

Reinsurance contract is executed only with reinsurers with a minimum acceptable credit rating. The creditworthiness of all reinsurers is monitored and reported to management by the Risk Management function by reviewing their annual financial statements and qualitative observations through formal and informal communication channels. Reinsurance treaties are reviewed annually by management prior to renewal of the reinsurance contract.

Aside credit risk exposure from our investment policies, the Group is also exposed to this risk from its core business – outstanding premiums from clients. Trade receivables are short-term in nature consisting of a large number of policyholders and are subject to moderate credit risk.

The Group categorizes its exposure to this risk based on business sources (namely Agents, Brokers and Insurance Companies) and periodically reviews trade receivable to ensure credit worthiness.

Credit risk exposure to trade receivables arises from the 30 days' window given by NAICOM in the "No Premium No Cover" (NPNC) policy. This gives brokers the latitude to withhold premiums collected from insured for 30 days. However, they are expected to issue their credit note and remit the premiums at the expiration of the 30 days' grace period. Brokers who fails to remit are reported on quarterly basis to NAICOM and are subject to the downgrading process in the Group's Credit Policy Guide. The Group's risk exposure to credit risk is low as the receipt of insurance premium from the insured is a pre- condition for the issuance of insurance cover.

The Group has no significant concentration of credit risk and the carrying amounts of all the financial assets subject to credit risk represents the maximum exposure of the Group to credit risk.

Market Risk Management

The financial markets of Nigeria and Ghana were adversely affected by volatility in the markets. The Group's ability to meet business objectives was affected by the adverse changes in the major market risk factors: interest rates, foreign exchange rates, on- availability of FX, rise in inflation, equity prices, and increase in property prices. The Group's identification, management, control, measurement and reporting of market risk is designed along the following major risk factors;

1. Interest rate risk
2. Foreign exchange risk
3. Equity price risk

1. Interest rate risk

Interest rate risk is the exposure of the Group's financial condition to adverse movements in interest rates, yield curves and credit spreads. The interest rate risk exposure arises when a change in interest rate has a potential to affect the value of the Group's assets and liabilities. The Group is exposed to interest rate risk through the floating interest rate bearing assets and liabilities and fixed interest bearing financial instruments carried at fair value in the Group's book.

The Group is significantly exposed to interest-rate risk as the percentage of floating interest yielding assets to AUM is 19.5% (2019 was 10.72%). In addition, the Group is exposed to interest rate risk through its Life underwriting investment policies that have guaranteed interest rate. As a result, the Group's investment income moves in the direction of interest rate in the short and medium term. The Central Bank of Nigeria maintained the key market interest rate (MPR) at 11.5% in the last two quarters of 2020 as against 13.50% in Q4'2019 consolidating on its tight monetary policies and regulatory supervision. This was anonymously agreed to support the recovery of output growth with the intent for price stability, exit the current recession being experienced and to drive economic growth in the Country. This has presented an opportunity for the Group in terms of generating more revenue on its investment portfolio to support the Group's income aspiration during the year.

The overall economic performance of Nigeria in 2020 fell short of the CBN's projected growth, as adverse impact of the Covid-19, slipping into the second recession in five (5) years with performance largely weak across sectors in Q2'20 and Q3'20 respectively recording (6.10%) and (3.62%) GDP respectively. Some of the challenges faced in the country include but not limited to political instability occasioned by the terrorist activities, increase in debt profile, devaluation of the Naira, high unemployment rate, low return on investment, , increase in crudeoil price amongst others. The apparent end of the US elections drama also boosted sentiment as investors hope for more incitement under the Biden administration. The Country experienced a significant increase in the country inflation rate i.e increment in the prices of food commodities due to the prolonged closure of Nigeria's borders (which increase from 11.85% in Q4'19 to 14.23% in Q4'2020) couple with the significant revenue hallenges. This enables the country to adopt significant steps of fiscal consolidation and international borrowing to implement some of her capital projects. We expect interest rate to remain stable in 2021 due to the continuous intervention of CBN to focus more on reducing the impact of inflation on interest rate in 2021.

2. Foreign exchange risk

Foreign exchange risk is the exposure of the Group's financial condition to adverse movement in FX risk and currency risk or the risk that investment dominated in foreign currency will lose value due of unfavorable exchange rate fluctuation between the investment's foreign currency and the investment holder's domestic currency. The Group conducts its operation in both local and foreign currency and therefore is exposed to financial impact of changes in exchange rate of various currencies. The Group regularly review its investment policy with a view to take advantage of the FX volatility and to immunize the liability obligation of the Group.

3. Equity price risk

Equity price risk is the exposure of the Group's financial condition to Mark-To-Market loss as a result of holding equity in a particular investment such as investment in Quoted and unquoted equities. In managing the Group equity price risk, the Group on a regular basis track the stock portfolio position based on the price received (prevailing market price) and daily stock valuation to justify the holding of such stock in the portfolio. The Group also manages the equity price volatility through diversification of holding in various stocks. The ideal is that if one stock experiences a sudden decline, other stock portfolio will compensate the loss and the loss impact due to stock price volatility is likely to be minimized.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign exchange risk exposure of the Group's financial condition is due to adverse movements in exchange rates. The Group is exposed to foreign exchange currency risk primarily through transactions denominated in foreign currency. The Group is also exposed to foreign currency fluctuation in its investments in unquoted equity, dollar-denominated bond instruments, fixed deposits and bank balances in other foreign currencies.

The Group's foreign exchange risk is considered at a Group level since an effective overview of such risk is a critical element of the Group's asset/liability risk management. The Board of Directors defines its risk tolerance levels and expectations for foreign exchange risk management and ensures that the risk is maintained at prudent levels.

Through out the year 2020, Central Bank of Nigeria continue to sustained the FX through its various intervene to ensure stability and reduce pressure on the naira as a result of exchange rate crisis triggered by the drop in oil prices. This effort was made by the Apex bank, which is aimed at supporting the monetary policy objectives that are challenged by the weak fiscal environment and low domestice productivity, leading to huge importation.

Foreign exchange risk is quantified using the net balance of assets and liabilities in each currency, and their total sum.

The Group is exposed to foreign exchange risk through cash balances maintained in foreign currency and eurobonds.

The table below summaries the Group's financial instruments at carrying amount, categorised by currency:

		31 December 2020						
		Total	**Naira**	**Us Dollar**	**Euro**	**Pound**	**Gh Cedi**	**Others**
	Notes							
Group								
In thousands of Naira								
Assets								
Cash and cash equivalents	8	2,409,304	1,805,525	296,985	5,690	76	301,028	-
Debt securities - at fair value through OCI	9	11,561,778	6,400,451	5,077,825	-	-	83,502	-
Debt securities - at amortised cost	9	3,149,918	1,673,680	411,206	-	-	1,065,031	-
Trade receivables	10	70,181	70,181	-	-	-	-	-
Reinsurance assets	11	130,723	130,723	-	-	-	-	-
Other receivables (excluding prepayments)	13	564,437	418,633	145,804	-	-	-	-
Statutory deposit	20	695,070	500,000	-	-	-	195,070	-
Total financial assets		**18,581,409**	**10,999,193**	**5,931,820**	**5,690**	**76**	**1,644,630**	**-**
Liabilities								
Investment contract liabilities	22	1,120,526	1,120,526	-	-	-	-	-
Trade payables	23	201,665	252,750	-	-	-	(51,085)	-
Other payables (excluding non-financial liabilities)	24	2,089,762	1,966,056	-	-	-	123,705	-
Total financial liabilities		3,411,953	3,339,333	-	-	-	72,620	-
Net financial assets/liabilities		**15,169,456**	**7,659,860**	**5,931,820**	**5,690**	**76**	**1,572,010**	**-**
Insurance contract liabilities	21	10,904,867	9,595,135	-	-	-	1,309,732	-
Net policyholders' assets/(liabilities)		**4,264,589**	**(1,935,275)**	**5,931,820**	**5,690**	**76**	**262,278**	**-**

		31 December 2019						
		Total	**Naira**	**Us Dollar**	**Euro**	**Pound**	**Gh Cedi**	**Others**
	Notes							
Group								
In thousands of Naira								
Assets								
Cash and cash equivalents	8	2,888,235	1,508,504	1,033,943	3,762	10,656	331,370	-
Equity securities - at fair value through OCI	9	5,272,266	3,469,475	1,724,384	-	-	78,407	-
Debt securities - at amortised cost	9	2,571,929	326,700	1,940,904	-	-	957,725	-
Trade receivables	10	34,962	34,962	-	-	-	-	-
Reinsurance assets	11	39,553	39,553	-	-	-	-	-
Other receivables (excluding prepayments)	13	1,305,276	591,766	578,567	-	-	134,943	-
Statutory deposit	19	638,044	505,080	-	-	-	132,964	-
Total financial assets		**12,750,263**	**5,822,639**	**5,277,798**	**3,762**	**10,656**	**1,635,409**	**-**
Liabilities								
Investment contract liabilities	21	1,170,785	1,170,785	-	-	-	-	-
Trade payables	22	255,384	171,261	-	-	-	84,123	-
Other payables (excluding non-financial liabilities)	23	1,758,007	1,452,509	-	-	-	305,498	-
Total financial liabilities		3,184,176	2,794,555	-	-	-	389,621	-
Net financial assets/liabilities		**9,566,087**	**3,028,084**	**5,277,798**	**3,762**	**10,656**	**1,245,788**	**-**
Insurance contract liabilities	21	8,698,870	9,621,473	-	-	-	-	-
Net policyholders' assets/(liabilities)		**867,217**	**(6,593,389)**	**5,277,798**	**3,762**	**10,656**	**1,245,788**	**-**

The table below summaries the Company's financial instruments at carrying amount, categorised by currency:

				31 December 2020			
		Total	**Naira**	**Us Dollar**	**Euro**	**Pound**	**Others**
Company	***Notes***						
In thousands of Naira							
Assets							
Cash and cash equivalents	8	837,091	682,862	148,463	5,690	76	-
Equity & Debt securities - at fair value through OCI	9	3,307,092	1,373,740	1,933,352	-	-	-
Debt securities - at amortised cost	9	411,206	-	411,206	-	-	-
Trade receivables	10	57,518	57,518	-	-	-	-
Reinsurance assets	11	4,957	4,957	-	-	-	-
Other receivables (excluding prepayments)	13	545,158	399,354	145,804	-	-	-
Statutory deposit	20	300,000	300,000	-	-	-	-
Total financial assets		**5,463,022**	**2,818,431**	**2,638,825**	**5,690**	**76**	**-**
Liabilities							
Trade payables	23	136,939	136,939	-	-	-	-
Other payables (excluding non-financial liabilities)	24	1,794,195	1,794,195	-	-	-	-
Total financial liabilities		1,931,133	1,931,133	-	-	-	-
Net financial assets/liabilities		**3,531,888**	**887,297**	**2,638,825**	**5,690**	**76**	**-**
Insurance contract liabilities	21	7,066,561	7,066,561	-	-	-	-
Net policyholders' assets/(liabilities)		**(3,534,673)**	**(6,179,264)**	**2,638,825**	**5,690**	**76**	**-**

				31 December 2019			
		Total	**Naira**	**Us Dollar**	**Euro**	**Pound**	**Others**
Company	***Notes***						
In thousands of Naira							
Assets							
Cash and cash equivalents	8	2,056,736	1,852,141	202,235	2,215	145	-
Equity securities - at fair value through OCI	9	1,413,091	82,563	1,330,528	-	-	-
Debt securities - at amortised cost	9	809,832	26,653	783,179	-	-	-
Non pledged trading assets	9	-	-	-	-	-	-
Trade receivables	10	34,962	34,962	-	-	-	-
Reinsurance assets	11	47,036	47,036	-	-	-	-
Other receivables (excluding prepayments)	13	973,104	394,537	578,567	-	-	-
Statutory deposit	19	300,000	300,000	-	-	-	-
Total financial assets		**5,634,761**	**2,737,892**	**2,894,509**	**2,215**	**145**	**-**
Liabilities							
Trade payables	22	162,970	162,970	-	-	-	-
Other payables (excluding non-financial liabilities)	23	2,524,952	2,524,952	-	-	-	-
Total financial liabilities		2,687,922	2,687,922	-	-	-	-
Net financial assets/liabilities		**2,946,839**	**49,970**	**2,894,509**	**2,215**	**145**	**-**
Insurance contract liabilities	21	4,675,005	4,675,005	-	-	-	-
Net policyholders' assets/(liabilities)		**(1,728,166)**	**(4,625,035)**	**2,894,509**	**2,215**	**145**	**-**

The cash balances and eurobonds above have been translated at the prevailing rates as at 31 December 2020. The prevailing rates are highlighted below:

	Year-end spot rate	
	2020	**2019**
USD	410	362
GBP	508	473
EURO	447	398
CEDI	68	54

Sensitivity analysis

The table below shows the impact on the Company's profit before tax and equity if foreign exchange rates on financial instruments had increased or decreased by 100 basis points, with all other variables held constant.

	2020	
	Profit or loss	
Group	Strengthening	Weakening
USD	59,318	(59,318)
GBP	57	(57)
EURO	1	(1)
CEDI	16,446	(16,446)
Company		
USD	26,388	(26,388)
GBP	57	(57)
EURO	1	(1)

	2019	
	Profit or loss	
Group	Strengthening	Weakening
USD	52,778	(52,778)
GBP	38	(38)
EURO	107	(107)
CEDI	16,354	(16,354)
Company		
USD	28,945	(28,945)
GBP	22	(22)
EURO	1	(1)

Equity price risk

The Group is exposed to equity price risks arising from equity investments. This exposure is managed through the adherence to investment in good fundamentals equities approved by the Board and in line with NAICOM investment guidelines.

Asset allocation to investment in equity is shown below

	Group		Company	
	31-Dec-2020		31-Dec-2020	
Allocation Target	**Quoted Equities**	**Unquoted Equities**	**Quoted Equities**	**Unquoted Equities**
Insurance and investment contract fund	1%	3%	0%	11%
Shareholders fund	0%	0%	0%	0%

	Group		Company	
	31-Dec-2019		31-Dec-2019	
Allocation Target	**Quoted Equities**	**Unquoted Equities**	**Quoted Equities**	**Unquoted Equities**
Insurance and investment contract fund	9%	2%	17%	3%
Shareholders fund	0%	0%	0%	0%

The equity price changes are monitored by the investment committee and the holdings are adjusted when there deviations from the investment policy. The Group manages its exposure to equity price risk using sensitivity analysis to assess potential changes in the value of investment in equities and the impact of such changes on the Group's investment income. There have been no major changes from prior period in the exposure to risk or policies, procedures and methods used to monitor and measure the Group equity price risk.

Below is the Group and Company equity price sensitivity for Equity securities as listed in Note 9 (a):

	Group		Company	
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	Increase/ Decrease by 200Bp	**Increase/ Decrease by 200Bp**	**Increase/ Decrease by 200Bp**	**Increase/ Decrease by 200Bp**
Listed Equities at fair value through OCI	3,364	38,303	1	38,279
Unlisted Equities through OCI	42,432	7,806	29,806	7,806
Impact on equity	45,796	46,109	29,806	46,086

Liquidity Risk Management
Liquidity risk is the risk that the Group may not have sufficient liquid financial resources to meet its obligations when fall due and will have to incur excessive cost to do so or will be unable to meet its obligations associated with financial liabilities that are settled by delivering cash or another financial assets. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and / or income in the process. The Group policy is to maintain adequate liquidity and contigent liability to meet its need under normal conditions. The Group also mitigates this risk by monitoring cash activities and expected outflows. The Group's current liabilities arise as claims are made and clients request for termination of their investment-linked products. The Group has zero tolerance for liquidity risk and is committed to meeting all liabilities as they fall due.

The Board approves the Group's liquidity policy and contingency funding plan, including establishing liquidity risk tolerance levels. The Board and its committees, monitors the liquidity position and reviews the impact of strategic decisions on the Group's liquidity. Liquidity positions are measured by calculating the Group's net liquidity gap.

Below is a summary of the contractual re-pricing or maturity dates (whichever is earlier) of financial assets matched with financial liabilities.

Quantifications
The Group adopts both qualitative and quantitative approaches to measuring liquidity risk. Specifically, the Company uses the following techniques;
a) Funding and Liquidity plan;
b) Gap Analysis; and
c) Ratio Analysis.

The Funding and Liquidity plan defines the Group's sources and channels of utilization of funds. The funding liquidity risk limit is quantified by calculating liquidity ratios and measuring/monitoring the cumulative gap between our assets and liabilities. The Liquidity Gap Analysis quantifies the monthly and cumulative gap in a business environment. The gap for any given tenor bucket represents the liabilities to, or placements made, the market required to replace maturing liabilities or assets. The Group monitors the cumulative gap as a ±20% of the total risk assets and the gap as a ±20% of total liabilities.

The following table shows the undiscounted cash flows on the Group's financial assets and liabilities and insurance liabilities, as well as on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial asset and liability and insurance liability.

			Residual contractual maturities of financial assets and liabilities			
	Carrying amount	**Gross nominal inflow/ (outflow)**	**1 - 3 months**	**3 -6 months**	**6 - 12 months**	**1 - 5 years**
Group						
31 December 2020						
In thousands of Naira						
Assets						
Cash and cash equivalents	2,409,304	2,410,920	2,410,920	-	-	-
Financial assets at fair value through OCI	11,561,778	13,695,999	858,612	813,641	1,475,026	10,548,720
Financial assets at amortised cost	3,149,918	3,283,271	12,454	-	1,426,951	1,843,866
Trade receivables	70,181	730,870	730,870	-	-	-
Reinsurance assets	130,723	130,723	130,723	-	-	-
Other receivables (excluding prepayment)	482,157	482,157	336,353	-	-	145,804
Statutory deposit	695,070	695,070	-	-	-	695,070
Total financial assets	**18,499,129**	**21,429,007**	**4,479,929**	**813,641**	**2,901,977**	**13,233,460**
Liabilities						
Investment contracts	1,120,526	1,120,526	154,754	520,286	346,184	99,302
Trade payables	201,665	201,665	201,665	-	-	-
Lease liability	83,163	84,013	-	-	23,323	60,690
Other payables (excluding non-financial liabilities)	2,089,762	2,117,642	2,117,642	-	-	-
Total financial liabilities	**3,495,116**	**3,523,846**	**2,474,060**	**520,286**	**369,507**	**159,992**
Gap - Net financial assets/liabilities	**15,004,013**	**17,905,161**	**2,005,869**	**293,354**	**2,532,470**	**13,073,468**
Insurance contract liabilities (excl. IBNR and unearned premium)	5,653,567	5,653,567	1,003,002	2,180,492	280,897	2,189,176
Gap - Net policyholders' assets/(liabilities)	**9,350,446**	**12,251,594**	**1,002,867**	**(1,887,137)**	**2,251,573**	**10,884,292**
Cumulative liquidity gap	9,350,446	12,251,594	1,002,867	(884,270)	1,367,302	12,251,594

			Residual contractual maturities of financial assets and liabilities			
	Carrying amount	**Gross nominal inflow/ (outflow)**	**1 - 3 months**	**3 -6 months**	**6 - 12 months**	**1 - 5 years**
Group						
31 December 2019						
In thousands of Naira						
Assets						
Cash and cash equivalents	1,152,498	1,153,511	1,153,511	-	-	-
Financial assets at fair value through OCI	7,304,418	7,304,418	7,304,418	-	-	-
Financial assets at amortised cost	1,764,857	1,764,857	43,911	29,274	-	1,691,672
Trade receivables	60,216	719,093	719,093	-	-	-
Reinsurance assets	124,872	124,872	124,872	-	-	-
Other receivables (excluding prepayment)	1,206,357	1,359,802	840,494	-	-	519,308
Statutory deposit	636,420	636,420	-	-	-	636,420
Total financial assets	**12,249,637**	**13,062,973**	**10,186,299**	**29,274**	**-**	**2,847,400**
Liabilities						
Financial liabilities:						
Investment contracts	1,255,707	1,255,707	1,255,707	-	-	-
Trade payables	297,746	297,746	297,746	-	-	-
Lease liability	102,965	103,415	-	-	10,140	93,274
Other payables (excluding non-financial liabilities)	1,399,096	1,399,096	1,399,096	-	-	-
Total financial liabilities	**3,055,514**	**3,055,964**	**2,952,549**	**-**	**10,140**	**93,274**
Gap - Net financial assets/liabilities	**9,194,123**	**10,007,009**	**7,233,750**	**29,274**	**(10,140)**	**2,754,126**
Insurance liabilities	8,698,870	8,698,870	8,698,870	-	-	-
Gap - Net policyholders' assets/(liabilities)	**495,253**	**1,308,139**	**(1,465,120)**	**29,274**	**(10,140)**	**2,754,126**
Cumulative liquidity gap	495,253	1,308,139	(1,465,120)	(1,435,846)	(1,445,987)	1,308,139

The following table shows the undiscounted cash flows on the Company's financial assets and liabilities, as well as on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial asset or liability.

			Residual contractual maturities of financial assets and liabilities			
	Carrying amount	**Gross nominal inflow/ (outflow)**	**1 - 3 months**	**3 -6 months**	**6 - 12 months**	**1 - 5 years**
Company						
31 December 2020						
In thousands of Naira						
Assets						
Cash and cash equivalents	837,091	837,091	837,091	-	-	-
Financial assets at fair value through OCI	3,307,092	3,716,367	85,693	161,042	128,770	3,340,862
Financial assets at amortised cost	411,206	411,957	12,454	-	12,251	387,252
Trade receivables	57,518	228,963	228,963	-	-	-
Reinsurance assets	4,957	4,957	4,957	-	-	-
Other receivables (excluding prepayment)	475,119	475,119	329,315	-	-	145,804
Statutory deposit	300,000	300,000	-	-	-	300,000
Total financial assets	**5,392,983**	**5,974,454**	**1,498,473**	**161,042**	**141,021**	**4,173,918**
Liabilities						
Trade payables	136,939	136,939	136,939	-	-	-
Other payables (excluding non-financial liabilities)	1,794,195	1,794,195	1,794,195	-	-	-
Total financial liabilities	**1,931,133**	**1,931,133**	**1,931,133**	**-**	**-**	**-**
Gap - Net financial assets/liabilities	**3,461,849**	**4,043,320**	**(432,661)**	**161,042**	**141,021**	**4,173,918**
Insurance liabilities (excl. IBNR and unearned premium)	4,322,310	4,322,310	1,003,002	2,180,492	140,449	998,368
Gap - Net policyholders' assets/(liabilities)	**(860,461)**	**(278,990)**	**(1,435,663)**	**(2,019,450)**	**572**	**3,175,550**
Cumulative liquidity gap	(860,461)	(278,990)	(1,435,663)	(3,455,113)	(3,454,541)	(278,990)

			Residual contractual maturities of financial assets and liabilities			
	Carrying amount	**Gross nominal inflow/ (outflow)**	**1 - 3 months**	**3 -6 months**	**6 - 12 months**	**1 - 5 years**
Company						
31 December 2019						
In thousands of Naira						
Assets						
Cash and cash equivalents	506,065	506,065	506,065	-	-	-
Financial assets at fair value through OCI	1,979,496	3,162,276	-	86,175.00	-	3,076,101
Financial assets at amortised cost	362,328	408,939	-	-	-	408,939
Trade receivables	24,950	24,950	24,950	-	-	-
Reinsurance assets	124,872	124,872	124,872	-	-	-
Other receivables (excluding prepayment)	970,175	1,111,845	592,537	-	-	519,308
Statutory deposit	300,000	300,000	-	-	-	300,000
Total financial assets	**4,267,886**	**5,638,946**	**1,248,423**	**86,175**	**-**	**4,304,348**
Liabilities						
Trade payables	37,921	37,921	37,921	-	-	-
Other payables (excluding non-financial liabilities)	1,903,114	1,903,114	1,903,114	-	-	-
Total financial liabilities	**1,941,035**	**1,941,035**	**1,941,035**	**-**	**-**	**-**
Gap - Net financial assets/liabilities	**2,326,850**	**3,697,911**	**(692,612)**	**86,175**	**-**	**4,304,348**
Insurance liabilities	4,675,005	4,675,005	4,675,005	-	-	-
Gap - Net policyholders' assets/(liabilities)	**(2,348,155)**	**(977,094)**	**(5,367,617)**	**86,175**	**-**	**4,304,348**
Cumulative liquidity gap	(2,348,155)	(977,094)	(5,367,617)	(5,281,442)	(5,281,442)	(977,094)

The following table shows amount expected to be recovered or settled after more than twelve months (non-current) for each asset and liability line item and the amounts expected to be recovered or settled no more than twelve months after the reporting period (current).

Group

	31 December 2020			**31 December 2019**		
	Current	Non-current	Carrying amount	Current	Non-current	Carrying amount
In thousands of Naira						
ASSETS						
Cash and cash equivalents	2,410,920	-	2,409,304	1,152,498	-	1,152,498
Financial assets at fair value through OCI	3,147,279	8,414,499	11,561,778	2,377,603	4,926,816	7,304,418
Financial assets at amortised cost	1,439,405	1,710,513	3,149,918	56,003	1,708,854	1,764,857
Trade receivables	70,181	-	70,181	60,216	-	60,216
Reinsurance assets	4,868,100	-	4,868,100	3,180,967	-	3,180,967
Deferred acquisition cost	410,093	-	410,093	664,025	-	664,025
Other receivables and prepayments	546,397	145,804	692,201	995,521	519,308	1,514,829
Investment property	-	80,480	80,480	-	254,780	254,780
Investment in associates	-	11,199,306	11,199,306	-	9,753,691	9,753,691
Investment in subsidiaries	-	-	-	-	-	-
Intangible assets	-	513,106	513,106	-	509,087	509,087
Property and equipment	-	3,451,949	3,451,949	-	3,433,972	3,433,972
Right of Use Assets	-	151,758	151,758	-	187,273	187,273
Current income tax asset	31,996	-	31,996	22,500	-	22,500
Deferred tax asset	-	438,322	438,322	-	305,986	305,986
Statutory deposit	-	695,070	695,070	-	636,420	636,420
TOTAL ASSETS	12,924,370	26,800,808	39,723,562	8,509,333	22,236,186	30,745,519
LIABILITIES						
Insurance contract liabilities	3,464,391	7,440,476	10,904,867	8,698,870	-	8,698,870
Investment contract liabilities	1,021,224	99,302	1,120,526	1,255,707	-	1,255,707
Trade payables	201,665	-	201,665	297,746	-	297,746
Other payables	2,268,485	-	2,268,485	1,678,550	-	1,678,550
Lease liability	23,323	59,840	83,163	10,140	92,824	102,965
Current income tax	176,000	-	176,000	192,056	-	192,056
TOTAL LIABILITIES	7,155,088	7,599,618	14,754,706	12,133,069	92,824	12,225,894
GAP	5,769,282	19,201,189	24,968,856	(3,623,737)	22,143,362	18,519,625

The following table shows amount expected to be recovered or settled after more than twelve months (non-current) for each asset and liability line item and the amounts expected to be recovered or settled no more than twelve months after the reporting period (current).

Company

	31 December 2020			31 December 2019		
	Current	Non-current	Carrying amount	Current	Non-current	Carrying amount
In thousands of Naira						
ASSETS						
Cash and cash equivalents	837,091	-	837,091	506,065	-	506,065
Financial assets at fair value through OCI	375,505	2,931,587	3,307,092	86,175	1,893,321	1,979,496
Financial assets at amortised cost	24,705	386,501	411,206	56,003	306,325	362,328
Trade receivables	57,518	-	57,518	24,950	-	24,950
Reinsurance assets	3,615,541	-	3,615,541	1,802,452	-	1,802,452
Deferred acquisition cost	273,245	-	273,245	372,952	-	372,951
Other receivables and prepayments	440,961	145,804	586,765	668,531	519,308	1,187,839
Investment property	-	80,480	80,480	-	254,780	254,780
Investment in associates	-	5,423,440	5,423,440	-	5,423,440	5,423,440
Investment in subsidiaries	-	9,259,506	9,259,506	-	5,360,915	5,360,915
Intangible assets	-	364,227	364,227	-	486,088	486,088
Property and equipment	-	3,199,229	3,199,229	-	3,189,119	3,189,119
Deferred tax asset	-	438,322	438,322	-	305,986	305,986
Statutory deposit	-	300,000	300,000	-	300,000	300,000
TOTAL	5,624,565	22,529,097	28,153,661	3,517,129	18,039,283	21,556,410
LIABILITIES						
Insurance contract liabilities (excl. IBNR and unearned premium)	4,485,615	2,580,946	7,066,561	4,675,005	-	4,675,005
Trade payables	136,939	-	136,939	37,921	-	37,921
Other payables	1,937,867	-	1,937,867	2,132,980	-	2,132,980
Current income tax	43,359	-	43,359	80,158	-	80,158
TOTAL	6,603,781	2,580,946	9,184,726	6,926,064	-	6,926,064
GAP	(979,216)	19,948,151	18,968,935	(3,408,936)	18,039,283	14,630,346

Underwriting, Claims & Reinsurance risk

Underwriting involves appraising risk exposure and determining the premium required to be charged to insure the risk. The Insurer decides how much coverage the client should receive, how much they should pay for it, or whether to even accept the risk and insure them. The information used to evaluate the risk of an applicant for insurance will be obtained from the proposal form filled by the proposer.

Underwriting is the process in which an insurer appraises a risk being presented by the proposer and deciding whether or not to accept the risk and the consideration (premium) to receive. Weaknesses in the systems and controls surrounding the underwriting process can expose an insurer to the risk of unexpected losses which may threaten the capital adequacy of the insurer. The Group's underwriting process is subject to internal audit.

In addition, there is a process for assessing brokers' procedures and systems to ensure that the quality of information provided to the Group meet suitable standard; and in the case of reinsurers, audits of ceding companies to ensure that reinsurance assumed is in accordance with treaties.

The factors that the Group uses to classify risks is highly objective, clearly related to the likely cost of providing coverage, practical to administer, consistent with applicable law, and designed to protect the long-term viability of the insurance program.

Underwriting process risk – This is the risk from exposure to financial losses related to the selection and acceptance of risks to be insured.

Mispricing risk – Risk that insurance premium will be too low to cover the Group's expenses related to underwriting, claim handling and administration.

Brokers' underwriting risk – This is the risk that brokers may:
i. Be inadequately trained to assess the risk and offer professional advice to the client.
ii. Fail to remit premium collected to the Insurer.

Underwriting risk appetite
The following factors constitute the basis for the Group's underwriting risk appetite:
• Wapic does not underwrite risk not fully understood
• We will not underwrite unquantifiable risks.
• Extreme caution is taken when underwriting risk with low safety standards or businesses with excessively high risk profile;
• We exercise caution when underwriting discrete (one-off) risks, particularly where there is no requisite experience or know-how;
• The limits, standard and exposure are guided by prudent underwriting procedure and reinsurance treaties.
• The Group adhere fully with all extant laws and regulations, including NAICOM's guideline on know your customer (KYC).

Underwriting Risk Management and Control:
For effective management of the underwriting exposures, Risk management and control function is responsible for the following:
• Ensure that underwriting standards are never compromised due to pressure from various stakeholders.
• Analysis of insurance exposures, continuous analysis of claims, product profitability analysis and other relevant risk issues.
• Investigate unusual claims, large sums assured and high variability in quotations submitted to the clients and make sure that unnecessary risks are not taken.
• Ensure compliance with the regulatory requirements as it relates to underwriting.
• Coordinate issues tracking activities and ensure action plans are developed for all identified gaps.
• Collaborate with the underwriting risk committee to develop appetite and tolerance limits.
• Identify and manage the Group's underwriting risk.
• Review and approve reinsurance and retrocession arrangements as mandated by NAICOM.

Insurance risk
Insurance risk is the inherent uncertainty regarding the pricing, adverse selection, product design, net retention, reserving, occurrence, amount or timing of insurance liabilities. It also covers the future risk claims and expenses exceeding the value placed on insurance liabilities. The timing is specifically influenced by persistency and expenses about which assumptions are made in order to place a value on the risk.

It is regarded as the likelihood that an insured event will occur, requiring the insurer to pay a claim. For example, the insurance risk is the possibility that the insured party may experience a loss that is insured in the coverage before his/her premium equals or exceeds the claim to be paid. The Group ensures premiums are charged/adjusted based on the magnitude of the risk.

The Group assesses and monitors insurance risks through thorough data analysis and stress-testing etc. It mainly evaluates the impacts of actuarial assumptions, such as the discount rate, investment yield and expense ratio, on our reserve, solvency and profit. We manage and monitor consistently within acceptable limits those exposures assumed in the course of providing insurance cover to insured risks.

Managing pricing risk
Pricing risk is effectively managed in the Group through efficient insurance premium rating controls embedded in its process. Good and prudent pricing is a key element of an insurance underwriting process. Underwriting officers are made to know the profit implications of underwriting pricing decisions. It is important to know that appropriate pricing is necessary to maintain the quality of insurance portfolio in terms of risk underwritten. Although all risks can be priced, but not all risks should be underwritten.

The Group employs the following additional controls and measures to ensure that only acceptable risks are accepted and risks are appropriately priced:

· Underwriting controls, with risk classification based on the above risk factors;
· Regular review of premium rates; and
· Appropriate policy conditions, including any exclusion on the cover of the subject matter of insurance.
· Premium rates are guaranteed for the period up to the renewal of a policy, typically, after 1 year.

(b) Deposit administration
Premium rating on deposit administration policies distinguishes between the ages and gender of prospective policyholders. Annual premiums, payable up front, are re-priced at renewal of the deposit administration policies.

(c) Group life products
Underwriting of Group business is much less stringent than for individual business, as there is typically less scope for anti-selection. The main reason for this is that participation in the Group schemes is normally compulsory and members have limited choice in the level of the benefits.

Group's policies are priced using standard mortality tables. The price for an individual scheme is adjusted for the following risk factors:
· Region;
· Salary structure;
· Gender structure; and
· Industry.

For large schemes, a scheme’s past experience is a crucial input in setting rates for the scheme. Rates are guaranteed for one year and reviewable at the renewal of the policy.

(d) Short-term insurance (general insurance) products
Underwriting on short-term insurance products takes the form of the insurance applicant completing a proposal form. The Group uses identified risk factors to classify the risk and charge the appropriate premium.

Where the value of the item(s) to be insured exceeds a pre-specified limit, the underwriting consideration becomes more stringent. This is particularly the case for marine and aviation cover. In this case the Group makes use of specialist to assess the risks and set an appropriate premium for cover.

Mortality and morbidity risks
The risk that actual experience in respect of the rates of mortality and morbidity may vary from what is assumed in pricing and valuation, depending on the terms of different products. The material classes of business most affected by these risks are discussed below.

(a) Individual life products – Term assurance and Savings Plan
Products are sold directly to individuals providing a benefit on death. The main insurance risk relates to the possibility that rates of death may be higher than expected.

For contracts with fixed and guaranteed benefits (such as the minimum death benefits available on savings plan policies) and fixed future premiums, the Group employs additional underwriting controls and measures to manage its exposure to mortality risk. This includes but not limited to:

• Ensure that only acceptable risks are accepted.
• Claims assessment processes to ensure only valid claims are paid;
• Purchased reinsurance to limit liability on particularly large claims or substandard risks; and
• Concentration risk is reduced by diversification of business over a large number of independent lives, as well as by taking out catastrophe reinsurance.

(b) Group life products
Employee benefit products provide life cover to members of a group, such as employees of companies or members of trade unions.

An aggregate stop-loss reinsurance agreement is in place to ensure that the Group's exposure to the aggregate mortality risk in its group life business is managed and limited to a specified limit.

In addition, there is a catastrophe reinsurance treaty in place for both group business and individual business. Such a treaty is particularly important for the group life business as there are considerably more concentrations of risks compared to individual business.

(c) Deposit administration
Deposit administration contracts provide a guaranteed life annuity conversion at the maturity of the contract. The mortality risk in this case is that the policyholders may live longer than assumed in the pricing of the contract. This is known as the risk of longevity.

The Group manages this risk by allowing for improvements in mortality when pricing and valuing the contracts. The Group also performs more detailed actuarial experience investigations and adjust assumptions in pricing for new contracts and valuation of existing contracts when necessary.

Outstanding claims
This represents the estimated ultimate cost of settling all claims arising from incidents occurring as at the date of the statement of financial position.

Claims management risk
This is the risk that the insurer may be unable to manage the settlement process by which insurers fulfil their contractual obligation to policyholders. The Group has in place a claims management policy and procedure for ensuring that claims are handled fairly and promptly. In establishing and maintaining effective claims handling systems and procedures, the Group considers the following factors:

• Appropriate systems and controls to ensure that all liabilities or potential liabilities notified to the insurer are recorded promptly and accurately. Accordingly, the systems and controls in place ensure that proper records are established for each notified claim;

• Suitable controls are maintained to ensure that estimates for reported claims and additional estimates are appropriately made on a consistent basis and are properly categorized;
• Regular reviews of the actual outcome of the estimates made is carried out to check for inconsistencies and to ensure that procedures remain appropriate. The reviews include the use of statistical techniques to compare the estimates with the eventual cost of settling the claims, after deducting the amounts already paid at the time the estimates were made;
• A functional system is in place to ensure that claim files without activity are reviewed on a regular basis;
• Appropriate systems and procedures are in place to assess the validity of notified claims by reference to the underlying contracts of insurance and reinsurance treaties;
• Suitable systems are adopted to accommodate the use of suitable experts such as loss adjusters, lawyers, actuaries, accountants etc. as and when appropriate, and to monitor their use; and
• Appropriate procedures are in place to identify and handle large or unusual claims, including system to ensure that senior management are involved from the outset in the processing of claims that are significant because of their size or nature.

Claims experience risk
In terms of the short-term insurance contracts held by the Group, the claims experience risk for these policies is that the number of claims and/or the monetary claim amounts are worse than that assumed in the pricing basis. The Group manages this risk by charging premiums which are appropriate to the risks under the insurance contracts.

Under the short-term insurance products, the Group also holds a concentration risk, which is the risk of a large number of claims from a single event or in a particular geographical area. The Group reduced this risk by diversification over a large number of uncorrelated risks, as well as arranged catastrophe reinsurance cover.

Reinsurance risk
This is the risk of inadequate reinsurance cover which may be triggered by a situation such as the insolvency of a reinsurer, omission to cede risk to the treaty, wrong cession to the treaty, assumption of risks without reinsurance cover, acceptance of risks above automatic capacity and there is already market saturation and non-payment of reinsurance premium as at when due. The Group ensures that it manages reinsurance risk by maintaining adequate reinsurance arrangements and treaties in respect of the classes or category of insurance business authorized to transact. The Group particularly put in place a documented policy stating:

- Systems for the selection of reinsurance brokers and other reinsurance advisers;
- Systems for selecting and monitoring reinsurance programmes;
- Clearly defined managerial responsibilities and controls;
- Presence of a well-resourced reinsurance department that prepares clear methodologies for determining all aspects of a reinsurance programme.
- Senior management that review the Group's reinsurance management systems on a regular basis.
- Reinsurers were profiled and categorized into tiers in determining the Group's exposure limit to reinsurers.

Technical Reserving methods

The provision for outstanding claims, including IBNR, was determined for each line of business on both gross and net of reinsurance basis. A yearly cohort from year 2007 has been adopted in building the historical claims. The UPR was calculated using a time – apportionment basis, in particular, the 365ths method. The UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.

Description of insurance reserves by segment:

IBNR

	Group		**Company**	
	Gross IBNR	Gross IBNR	Gross IBNR	Gross IBNR
In thousands of Naira	**31-Dec-20**	**31-Dec-19**	**31-Dec-20**	**31-Dec-19**
Class of business				
Aviation	13,262	28,273	13,262	28,131
Bonds	-	-		-
Engineering	273,308	223,944	264,307	209,501
Fire	174,677	294,647	128,443	191,944
General Accident	58,778	118,344	44,799	104,243
Marine	11,612	38,194	7,452	36,078
Motor	264,701	394,488	21,118	99,151
Oil and Energy	493,193	233,086	493,193	232,944
Group Life	774,401	779,806	-	-
Total	2,063,933	2,110,781	972,574	901,993

UPR and Life fund

	Group		**Company**	
	Gross UPR	Gross UPR	Gross UPR	Gross UPR
In thousands of Naira	**31-Dec-20**	**31-Dec-19**	**31-Dec-20**	**31-Dec-19**
Class of business				
Aviation	-	15,781	-	15,781
Bonds	1,281	341	1,281	341
Engineering	500,748	928,719	475,913	858,305
Fire	303,754	337,055	246,116	288,370
General Accident	252,423	208,516	224,644	179,673
Marine	128,887	138,764	117,187	129,926
Motor	724,260	769,638	234,229	292,349
Oil and Energy	472,306	731,031	472,306	676,498
Group Life	598,135	1,017,212	-	-
Life Fund	205,573	217,102	-	-
Total	3,187,367	4,364,158	1,771,677	2,441,243

Sensitivity analysis

Sensitivity analyses are performed to test the variability around the reserves that are calculated at a best estimate level. The estimated claim amounts can never be an exact forecast of future claim amounts and therefore looking at how these claim amounts vary provides valuable information for business planning and risk appetite considerations.

A sensitivity analysis was done to determine how the IBNR reserve amount would change if we were to consider the 75th percentile as opposed to our best estimate figures included in reserve reviews as at 31 December 2020. The 75th percentile is a generally accepted level of prudency. The results based on fitting a Normal distribution to the best estimate IBNR reserves as at 31 December 2020 are as follows:

In thousands of Naira	Best Estimate	Gross IBNR 75th percentile	Best Estimate	Net IBNR 75th percentile
Class of business				
Aviation	28,131	35,497	26,267	33,144
Bonds	-	-	-	-
Engineering	209,501	264,359	159,191	200,875
Fire	191,944	242,204	176,346	222,521
General Accident	104,243	131,539	52,523	66,277
Marine	36,078	45,525	21,083	26,603
Motor	99,151	125,114	87,189	110,019
Oil and Energy	232,944	293,940	232,841	293,809
Total	901,993	1,138,177	755,439	953,248

Key Developments in the Group 2020

Key improvements made in 2020 include the following:

1. Implementation of the banc assurance partnership with Access bank which further deepen the group customers base and utimately improved its underwriting profit
2. Improvement in the company's various technological platform such as Mobile Application, Kiosk which help further deepen penetration into the retail market space
3. Digitalization of the various products and channels to enable sales and payment via the company's online platform
4. Optimization of the reinsurance arrangement to further increase the Group's value for money ratio and maximization of capital.
5. Increased retention which in turn lead to improvement in the net premium written, underwritng capacity, dilution of reinsurance cost, availability of robust capital to underwrite more businesses and improve the profit in line with the Group’s strategy and risk tolerance level.

Claims Paid Triangulations as at December 2020

	Development Year											
Accident Year	0	1	2	3	4	5	6	7	8	9	10	11
2009	281,424,502	464,592,107	464,592,107	468,586,368	471,323,561	471,568,305	472,098,371	477,109,263	477,109,263	477,141,815	477,141,815	477,141,815
2010	180,162,677	380,188,154	401,717,216	457,712,600	471,789,466	480,321,754	483,554,380	499,201,284	504,290,723	505,213,213	505,360,201	-
2011	153,644,033	254,274,204	321,915,739	331,645,092	350,755,232	353,656,121	361,881,546	368,249,894	369,831,137	369,831,137	-	-
2012	52,027,718	280,745,091	312,542,468	319,215,664	331,063,753	337,536,112	346,160,159	347,897,265	348,773,948	-	-	-
2013	196,586,494	401,417,665	433,029,478	436,984,923	436,984,923	437,019,869	437,490,073	437,886,943	-	-	-	-
2014	46,477,074	145,131,119	216,957,267	230,292,139	246,915,549	247,893,672	248,893,252	-	-	-	-	-
2015	160,334,381	392,434,628	467,462,294	502,386,752	525,879,915	544,331,054	-	-	-	-	-	-
2016	271,979,541	607,549,326	706,841,235	746,176,094	804,893,545	-	-	-	-	-	-	-
2017	507,263,945	960,254,243	1,162,668,690	1,213,446,271	-	-	-	-	-	-	-	-
2018	653,859,149	953,823,783	1,090,283,505	-	-	-	-	-	-	-	-	-
2019	550,650,870	889,956,269	-	-	-	-	-	-	-	-	-	-
2020	1,312,040,464	-	-	-	-	-	-	-	-	-	-	-

Claims Paid Triangulations as at December 2019

	Development Year										
Accident Year	0	1	2	3	4	5	6	7	8	9	10
2009	281,424,502	464,592,107	464,592,107	468,586,368	471,323,561	471,568,305	472,098,371	477,036,463	477,036,463	477,069,015	477,069,015
2010	180,162,677	380,188,154	401,717,216	457,712,600	471,789,466	480,321,754	483,166,542	498,813,447	501,509,209	502,431,699	-
2011	153,644,033	254,274,204	321,915,739	331,645,092	350,755,232	353,525,664	361,751,089	368,029,586	369,610,828	-	-
2012	52,027,718	280,745,091	312,542,468	319,215,664	331,063,753	335,512,569	341,306,350	343,043,456	-	-	-
2013	196,586,494	401,417,665	432,510,562	436,466,007	436,466,007	436,466,007	436,496,411	-	-	-	-
2014	46,477,074	145,131,119	216,634,648	227,153,280	240,452,165	241,430,288	-	-	-	-	-
2015	160,334,381	387,210,143	460,380,832	486,249,796	507,710,257	-	-	-	-	-	-
2016	267,190,646	585,402,361	662,267,610	700,434,845	-	-	-	-	-	-	-
2017	393,947,118	806,218,727	991,186,408	-	-	-	-	-	-	-	-
2018	610,081,908	884,128,684	-	-	-	-	-	-	-	-	-
2019	520,229,376	-	-	-	-	-	-	-	-	-	-

Claims Paid Triangulations as at December 2018

	Development Year									
Accident Year	0	1	2	3	4	5	6	7	8	9
2009	281,424,502	464,592,107	464,592,107	468,586,368	471,323,561	471,568,305	472,098,371	477,109,263	477,109,263	477,141,815
2010	180,162,677	380,188,154	401,717,216	457,712,600	471,789,466	480,321,754	484,853,581	500,500,485	505,589,923	-
2011	153,644,033	254,274,204	321,915,739	331,645,092	350,755,232	353,656,121	361,881,546	369,549,891	-	-
2012	52,027,718	280,745,091	312,542,468	319,215,664	331,063,753	338,470,106	347,910,067	-	-	-
2013	196,586,494	401,417,665	432,510,562	436,466,007	436,504,689	436,539,635	-	-	-	-
2014	46,477,074	145,131,119	218,115,996	232,589,064	250,489,372	-	-	-	-	-
2015	160,334,381	393,577,318	471,697,519	522,307,531	-	-	-	-	-	-
2016	278,606,005	623,045,424	735,682,370	-	-	-	-	-	-	-
2017	533,119,661	1,103,175,468	-	-	-	-	-	-	-	-
2018	867,708,489	-	-	-	-	-	-	-	-	-

Claims Paid Triangulations as at December 2017

	Development Year								
Accident Year	0	1	2	3	4	5	6	7	8
2009	281,424,502	464,592,107	464,592,107	468,586,368	471,323,561	471,568,305	472,098,371	477,109,263	477,141,815
2010	180,162,677	380,188,154	401,717,216	457,712,600	471,789,466	499,808,895	504,340,721	520,545,794	-
2011	153,644,033	254,274,204	321,915,739	349,462,441	370,136,520	373,537,409	382,400,353	-	-
2012	53,378,309	283,111,111	314,908,488	325,067,235	337,508,527	350,022,591	-	-	-
2013	196,586,494	401,417,665	436,403,443	440,646,782	441,201,971	-	-	-	-
2014	47,109,502	147,211,665	220,533,127	244,773,673	-	-	-	-	-
2015	165,537,238	412,614,454	500,383,514	-	-	-	-	-	-
2016	312,958,358	722,029,575	-	-	-	-	-	-	-
2017	642,455,377	-	-	-	-	-	-	-	-

Claims Paid Triangulations as at December 2016

	Development Year							
Accident Year	0	1	2	3	4	5	6	7
2009	281,424,502	464,592,107	464,592,107	468,586,368	471,323,561	471,568,305	472,098,371	477,036,463
2010	180,175,681	380,371,043	401,900,105	457,895,488	471,972,355	512,373,628	519,279,659	-
2011	153,644,033	254,274,204	321,915,739	349,462,441	370,168,967	376,821,827	-	-
2012	53,378,309	283,111,111	314,908,488	325,199,583	339,180,001	-	-	-
2013	196,586,494	401,417,665	436,403,443	440,456,273	-	-	-	-
2014	47,852,137	148,672,123	226,183,719	-	-	-	-	-
2015	166,816,221	459,694,054	-	-	-	-	-	-
2016	445,659,176	-	-	-	-	-	-	-

Sensitivity Analysis

Sensitivity of liabilities to changes in long term valuation assumptions
31 December 2020
In thousands of Naira

N'000m	Base	Interest rate +1%	Interest rate - 1%	Expenses +10%	Expenses - 10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Investment Linked Plans- Fund Balance	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526
Investment Linked Plans- Risk Reserve	62,053	61,189	62,929	64,461	59,616	62,666	61,492	63,326	60,746
Traditional Plan	143,569	141,570	145,595	149,139	137,930	144,986	142,270	146,514	140,545
Group Plans	1,399,564	1,399,564	1,399,564	1,406,660	1,399,564	1,399,564	1,399,564	1,461,592	1,337,535
Total liability	**2,725,712**	**2,722,849**	**2,728,614**	**2,740,786**	**2,717,635**	**2,727,741**	**2,723,852**	**2,791,957**	**2,659,353**
% change in liability	**-**	**-0.11%**	**0.11%**	**0.55%**	**-0.30%**	**0.07%**	**-0.07%**	**2.43%**	**-2.43%**

Summary	Base	Interest rate +1%	Interest rate - 1%	Expenses +10%	Expenses - 10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Individual life	205,622	202,760	208,524	213,600	197,546	207,652	203,762	209,839	201,291
Group	1,399,564	1,399,564	1,399,564	1,406,660	1,392,467	1,399,564	1,399,564	1,461,592	1,337,535
DA Reserve	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526	1,120,526
Total liability	**2,725,712**	**2,722,849**	**2,728,614**	**2,740,786**	**2,710,539**	**2,727,741**	**2,723,852**	**2,791,957**	**2,659,353**
% change in liability	-	-0.1%	0.1%	0.6%	-0.3%	0.1%	-0.1%	2.4%	-2.4%

Sensitivity Analysis

Sensitivity of liabilities to changes in long term valuation assumptions
31 December 2019
In thousands of Naira

N'000m	Base	Interest rate +1%	Interest rate - 1%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Individual Traditional	144,985	143,701	146,354	144,114	145,393	144,613	146,031	143,886
Individual Investment Linked	1,116,313	1,116,313	1,116,313	1,116,313	1,116,313	1,116,313	1,116,048	1,116,313
Group DA	54,472	54,472	54,472	54,472	54,472	54,472	54,472	54,472
Group Life – UPR	632,488	632,488	632,488	632,488	632,488	632,488	632,488	632,488
Group Life – IBNR	702,375	702,375	702,375	702,375	702,375	702,375	702,375	702,375
Group Life – AURR	57,517	57,517	57,517	57,517	57,517	57,517	57,517	57,517
Additional reserves	-	-	-	-	-	-	-	-
Oustanding Claims	687,793	687,793	687,793	687,793	687,793	687,793	687,793	687,793
Reinsurance	**(363,145)**	**(363,145)**	**(363,145)**	**(363,145)**	**(363,145)**	**(363,145)**	**(363,145)**	**(363,145)**
Net liability	**3,032,797**	**3,031,513**	**3,034,166**	**3,031,926**	**3,033,205**	**3,032,425**	**3,033,578**	**3,031,699**
% change in liability		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Summary	Base	Interest rate +1%	Interest rate - 1%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Mortality +5%	Mortality -5%
Individual	1,261,297	1,260,014	1,262,666	1,260,427	1,261,706	1,260,926	1,262,079	1,260,199
Group	1,771,499	1,771,499	1,771,499	1,771,499	1,771,499	1,771,499	1,771,499	1,771,499
Net liability	**3,032,797**	**3,031,513**	**3,034,166**	**3,031,926**	**3,033,205**	**3,032,425**	**3,033,578**	**3,031,699**
% change in liability	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Capital Management

Capital risk is the risk of company's capital diminishing or attaining below the minimum capital requirement level due to the occurrence of certain loss or risk event. The Group's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations.management are to maintain a capital base that is structured to exceed regulatory and to best utilize capital allocations.

Insurance industry regulator measures the financial strength of Non-life insurers using a solvency margin model, NAICOM generally expect non-life insurers to comply with this capital adequacy requirement. This test compares insurers' capital against the risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 per centum of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital whichever is greater. During the year, the Company has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

Coronation is exposed to a variety of risks through its holding company and reinsurance activities. These include market, credit, underwriting, business, operational, strategic, liquidity and reputational risks. With Solvency II being the binding regulatory regime approval of our internal model, risk is measured and steered based on the risk profile underlying our regulatory capital requirement. By that we allow for a consistent view on risk steering and capitalization under the Solvency II framework. This is supplemented by economic scenarios and sensitivities.

The company steers its portfolio using a comprehensive view of risk and return, i.e. results based on the internal risk model, including scenario-based analysis, are actively used for decision making. On one hand, economic risk and concentrations are actively restricted by means of limits. On the other hand, return on risk capital (RORC) is a key input in the Company. The latter allows us to identify profitable lines of business on a sustainable basis, which provide reasonable profits on allocated risk capital. Therefore, it is a key criterion for Coronation's capital allocation decisions.

As a Group holding company with presence in Ghana, we consider diversification across different business segments and geographic regions as a key element in managing our risks efficiently by limiting the economic impact of any single event and by contributing to relatively stable results and risk profile in general. Therefore, our aim is to maintain a balanced risk profile without bearing any disproportionately large risk concentrations and accumulations.

During the year, the company complied with the minimum capital requirements and the statutory regulatory solvency margin requirement. The company continued to maintain its established risk-based capitalization position and a linked dividend policy. The company has commenced to link its risk management framework with its capital management in order to have an optimize capital allocation.

The solvency margin for the Company as at 31 December 2020 was as follows;

	₦'000	₦'000
Excess of Assets (Admissible assets) over Liabilities -Solvency Margin		**12,393,550**
Higher of:		
Gross premium written	11,636,903	
Less: Reinsurance paid during the year	(8,463,606)	
Net Premium	3,173,297	
15% of **Net premium**	475,995	
Minimum capital base- Non life	3,000,000	
The higher thereof:		3,000,000
Surplus in Solvency Margin over minimum capital base		9,393,550
Solvency Ratio		313%

The solvency margin for the Company as at 31 December 2019 was as follows;

	₦'000	₦'000
Excess of Assets (Admissible assets) over Liabilities -Solvency Margin		**6,986,046**
Higher of:		
Gross premium written	10,709,420	
Less: Reinsurance paid during the year	(6,840,814)	
Net Premium	3,868,606	
15% of **Net premium**	580,291	
Minimum capital base- Non life	3,000,000	
The higher thereof:		3,000,000
Surplus in Solvency Margin over minimum capital base		3,986,046
Solvency Ratio		133%

The Company further developed an internal capital adequacy model that assesses the risk of assets, policy liabilities and other exposures by applying various factors. The model calculates the capital required for each class of the broad risks identified by the Company and aggregates through co-variance methodology that considers the relationship among these risk categories.

6 Financial assets and liabilities
Accounting classification, measurement basis and fair values

Measurement basis
The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

(i) *Financial assets:*
The fair value for these financial assets is based on market prices from financial market dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

(ii) *Cash and cash equivalents, trade receivables, other receivables, reinsurance assets and statutory deposits:*
The carrying amount of cash and cash equivalents, trade receivables, other receivables, reinsurance assets and statutory deposits are a reasonable approximation of their fair value as they are all short term in nature.

(iii) *Investment contract liabilities, trade payables and other payables:*
The carrying amount of investment contract liabilities, trade payables and other payables are a reasonable approximation of their fair value as they are all short term in nature.

Accounting classification and fair values
The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values.

Group	Notes	**At amortised cost**	**FVTOCI**	**Other financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
In thousands of Naira						
31 December 2020						
Cash and cash equivalents	8	2,409,304	-	-	2,409,304	2,409,304
Financial assets	9	3,149,918	11,561,778	-	14,711,696	14,753,301
Trade receivables	10	70,181	-	-	70,181	70,181
Reinsurance assets	11	3,775,012	-	-	3,775,012	3,775,012
Other receivables (excluding prepayment)	13	564,436	-	-	564,436	564,436
Statutory deposit	19	695,070	-	-	695,070	695,070
Total financial assets		10,663,920	11,561,778	-	22,225,698	22,267,304
Investment contract liabilities	21	-	-	1,120,526	1,120,526	1,120,526
Trade payables	22	-	-	201,665	201,665	201,665
Other payables (excluding non-financial liabilities)	23	-	-	1,621,097	1,621,097	1,621,097
Total financial liabilities		-	-	2,943,288	2,943,288	2,943,288

Group	Notes	**At amortised cost**	**FVTOCI**	**Other financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
In thousands of Naira						
31 December 2019						
Cash and cash equivalents	8	1,152,498	-	-	1,152,498	1,152,498
Financial assets	9	1,764,857	7,304,418	-	9,069,275	16,373,694
Trade receivables	10	60,216	-	-	60,216	60,216
Reinsurance assets	11	853,281	-	-	853,281	853,281
Other receivables (excluding prepayment)	13	1,359,802	-	-	1,359,802	1,359,802
Statutory deposit	19	636,420	-	-	636,420	636,420
Total financial assets		5,827,074	7,304,418	-	13,131,492	20,435,911
Investment contract liabilities	21	-	-	1,255,707	1,255,707	1,255,707
Trade payables	22	-	-	297,746	297,746	297,746
Other payables (excluding non-financial liabilities)	23	-	-	1,165,056	1,165,056	1,165,056
Total financial liabilities		-	-	2,718,509	2,718,509	2,718,509

Financial assets and liabilities
Accounting classification, measurement basis and fair values
The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values.

Company	Notes	**At amortised cost**	**FVTOCI**	**Other financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
In thousands of Naira						
31 December 2020						
Cash and cash equivalents	8	837,091	-	-	837,091	837,091
Financial assets	9	411,206	3,307,092	-	3,718,298	3,762,455
Trade receivables	10	57,518	-	-	57,518	57,518
Reinsurance assets	11	2,811,099	-	-	2,811,099	2,811,099
Other receivables (excluding prepayment)	13	545,158	-	-	545,158	545,158
Statutory deposit	19	300,000	-	-	300,000	300,000
Total financial assets		4,962,073	3,307,092	-	8,269,165	8,313,322
Trade payables	22	-	-	136,939	136,939	136,939
Other payables (excluding non-financial liabilities)	23	-	-	1,554,897	1,554,897	1,554,897
Total financial liabilities		-	-	1,691,836	1,691,836	1,691,836

Company	Notes	**At amortised cost**	**FVTOCI**	**Other financial liabilities at amortised cost**	**Total carrying amount**	**Fair value**
In thousands of Naira						
31 December 2019						
Cash and cash equivalents	8	506,065	-	-	506,065	506,065
Financial assets	9	362,328	1,979,496	-	2,341,825	4,321,321
Trade receivables	10	24,950	-	-	24,950	24,950
Reinsurance assets	11	500,015	-	-	500,015	500,015
Other receivables (excluding prepayment)	13	1,111,845	-	-	1,111,845	1,111,845
Statutory deposit	19	300,000	-	-	300,000	300,000
Total financial assets		2,805,203	1,979,496	-	4,784,699	6,764,196
Trade payables	22	-	-	37,921	37,921	37,921
Other payables (excluding non-financial liabilities)	23	-	-	1,767,282	1,767,282	1,767,282
Total financial liabilities		-	-	1,805,203	1,805,203	1,805,203

Fair Value Hierarchy

The Group's accounting policy and basis of fair value measurements are disclosed under notes 3.2 (d) and 4.

The determination of fair value for financial and other assets as well as financial and other liabilities for which there is no observable market price requires the use of certain valuation techniques.

For financial instruments and other assets and liabilities that trades infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market price in an active market for an identical instrument at the balance sheet date.

Level 2: The fair value of financial instruments that are not traded in an active market are determined by using valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments and other assets and liabilities, the valuation of which incorporates significant inputs that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

Determination of fair value of financial instruments:
(i) Valuation techniques used to derive Level 3 fair values
Level 2 and level 3 fair values of investments have been generally derived using the adjusted fair value comparison approach. Quoted price per earning or price per book value, enterprise value to EBITDA ratios of comparable entities in a similar industry were obtained and adjusted for key factors to reflect estimated ratios of the investment being valued. Adjusting factors used are the Illiquidity Discount which assumes a reduced earning on a private entity in comparison to a publicly quoted entity and the Haircut adjustment which assumes a reduced earning for an entity located in Nigeria contributed by lower transaction levels in comparison to an entity in developed or emerging market. Below is a table showing sensitivity analysis of material unquoted investments categorised as Level 3 fair values.

- African Reinsurance Corporation

Relationship of unobservable inputs to fair value	Fair value at 31 December 2020	Valuation Technique	Unobservable Inputs	FV if P/B multiples is increased to 1.01x	FV if P/B multiples is decreased to 0.91x
The higher the P/B ratio of similar trading entities, the higher the fair value	75,079	Adjusted fair value comparison approach	Average P/B multiples of comparable entities	79,154	71,317

- Nigerian Liability Insurance Pool

Relationship of unobservable inputs to fair value	Fair value at 31 December 2020	Valuation Technique	Unobservable Inputs	FV if P/B multiples is increased to 0.95x	FV if P/B multiples is decreased to 0.89x
The higher the P/B ratio of similar trading entities, the higher the fair value	44,092	Adjusted fair value comparison approach	Average P/B multiples of comparable entities	47,188	44,207

- Energy and allied risk insurance pool of Nigeria

Relationship of unobservable inputs to fair value	Fair value at 31 December 2020	Valuation Technique	Unobservable Inputs	FV if P/B multiples is increased to 1.01x	FV if P/B multiples is decreased to 0.91x
The higher the P/B ratio of similar trading entities, the higher the fair value	61,189	Adjusted fair value comparison approach	Average P/B multiples of comparable entities	64,511	58,123

(ii) Determination of fair value of investment property
The Company's investment properties were valued by independent professional Estate Surveyor and Valuer. The determination of fair value of the investment properties were supported by market evidence. The modalities and process of valuation utilised extensive analysis of market data and other sector specific peculiarities corroborated with available database derived from previous experiences.

The fair value measurement for the investment properties has been categorised as a Level 3 fair value basis. Level 3 fair values of investment properties have been derived using the comparative method valuation approach. Sales prices of recent comparable properties within the same or similar neighbourhood are adjusted for considerations of the peculiar attributes of the property which includes specific location, internal layout plans as well as other relevant qualities. References were made to rents, prices of land and comparable properties within the neighborhood. The data obtained were analyzed and adjustment was made to reflect the differences in site area, actual location, facilities provided and quality of construction.

The estimated open market value is deemed to be the fair value based on the assumptions that there will be willing buyers and sellers. A variation of -/+5% will result in a N13 million change in the Group and Company results (2019: N13 million).

The table below analyses financial instruments and other assets and liabilities measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

Group	Notes	31 December 2020 Level 1	Level 2	Level 3	Total balance
In thousands of Naira					
Assets					
Equity securities - at fair value through OCI	9	84,095	-	1,060,801	1,144,896
Fixed income securities - at fair value through OCI	9	10,416,882	-	-	10,416,882
Investment properties	14	-	-	80,480	80,480
Total financial and other assets measured at fair value		**10,500,977**	**-**	**1,141,281**	**11,642,258**

Group	Notes	31 December 2019 Level 1	Level 2	Level 3	Total balance
In thousands of Naira					
Assets					
Equity securities - at fair value through OCI	9	123,933	-	667,808	791,741
Fixed income securities - at fair value through OCI	9	6,512,678	-	-	6,512,678
Investment properties	14	-	-	254,780	254,780
Total financial and other assets measured at fair value		**6,636,611**	**-**	**922,588**	**7,559,199**

Company	Notes	31 December 2020 Level 1	Level 2	Level 3	Total balance
In thousands of Naira					
Assets					
Equity securities - at fair value through OCI	9	15	-	745,146	745,161
Fixed income securities - at fair value through OCI	9	2,561,931	-	-	2,561,931
Investment properties	14	-	-	80,480	80,480
Total financial and other assets measured at fair value		**2,561,946**	**-**	**825,626**	**3,387,572**

Company	Notes	31 December 2019 Level 1	Level 2	Level 3	Total balance
In thousands of Naira					
Assets					
Equity securities - at fair value through OCI	9	99,997	-	270,563	370,560
Fixed income securities - at fair value through OCI	9	1,608,937	-	-	1,608,937
Investment properties	14	-	-	254,780	254,780
Total financial and other assets measured at fair value		**1,708,934**	**-**	**525,343**	**2,234,277**

The following tables set out the fair values of financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised:

Group	Carrying amount	31 December 2020 Level 1	Level 2	Level 3	Total balance
In thousands of Naira					
Assets					
Cash and cash equivalents	2,409,304	-	2,409,304	-	2,409,304
Financial assets	3,149,918	3,191,523	-	-	3,191,523
Trade receivables	70,181	-	70,181	-	70,181
Reinsurance assets	130,723	-	-	130,723	130,723
Deferred acquisition cost	410,093	-	-	410,093	410,093
Other receivables (excluding prepayment)	564,435	-	-	564,436	564,436
Statutory Deposit	695,070	-	695,070	-	695,070
Total financial assets not measured at fair value	7,429,723	3,191,523	3,174,555	1,105,251	7,471,329
Liabilities					
Investment contract liabilities	1,120,526			1,120,526	1,120,526
Trade payables	201,665			201,665	201,665
Other payables (excluding non-financial liabilities)	2,089,762			2,089,762	2,089,762
Total financial liabilities not measured at fair value	**3,411,953**	-	-	3,411,953	3,411,953

	Carrying amount	Level 1	31 December 2020 Level 2	Level 3	Total balance
Company					
In thousands of Naira					
Assets					
Cash and cash equivalents	837,091	-	837,091	-	837,091
Financial assets	411,206	455,363	-	-	455,363
Trade receivables	57,518	-	57,518	-	57,518
Reinsurance assets	4,957	-	-	4,957	4,957
Deferred acquisition cost	273,245	-	-	273,245	273,245
Other receivables (excluding prepayment)	545,158	-	-	545,158	545,158
Statutory Deposit	300,000	-	300,000	-	300,000
Total financial assets not measured at fair value	**2,429,176**	455,363	1,194,609	823,361	2,473,333
Liabilities					
Trade payables	136,939	-	-	136,939	136,939
Other payables (excluding non-financial liabilities)	1,794,195	-	-	1,794,195	1,794,195
Total financial liabilities not measured at fair value	**1,931,133**	**-**	**-**	1,931,133	1,931,133

	Carrying amount	Level 1	31 December 2019 Level 2	Level 3	Total balance
Group					
In thousands of Naira					
Assets					
Cash and cash equivalents	1,152,498	-	1,152,498	-	1,152,498
Financial assets	9,069,275	5,529,284	3,539,991	-	9,069,275
Trade receivables	60,216	-	60,216	-	60,216
Reinsurance assets	124,872	-	-	124,872	124,872
Deferred acquisition cost	664,025	-	-	664,025	664,025
Other receivables (excluding prepayment)	1,359,803	-	-	1,359,802	1,359,802
Statutory Deposit	636,420	-	636,420	-	636,420
Total financial assets not measured at fair value	**13,067,109**	5,529,284	5,389,125	2,148,699	13,067,108
Liabilities					
Investment contract liabilities	1,255,707			1,255,707	1,255,707
Trade payables	297,746			297,746	297,746
Other payables (excluding non-financial liabilities)	1,399,096			1,399,096	1,399,096
Total financial liabilities not measured at fair value	**2,952,549**	-	-	2,952,549	2,952,549

	Carrying amount	Level 1	31 December 2019 Level 2	Level 3	Total balance
Company					
In thousands of Naira					
Assets					
Cash and cash equivalents	506,065	-	506,065	-	506,065
Financial assets	2,341,825	1,065,148	1,276,677	-	2,341,825
Trade receivables	24,950	-	24,950	-	24,950
Reinsurance assets	124,872	-	-	124,872	124,872
Deferred acquisition cost	372,952	-	-	372,952	372,952
Other receivables (excluding prepayment)	1,111,845	-	-	1,111,845	1,111,845
Statutory Deposit	300,000	-	300,000	-	300,000
Total financial assets not measured at fair value	4,782,509	1,065,148	2,107,691	1,609,669	4,782,509
Liabilities					
Trade payables	37,921	-	-	37,921	37,921
Other payables (excluding non-financial liabilities)	1,903,114	-	-	1,903,114	1,903,114
Total financial liabilities not measured at fair value	**1,941,035**	**-**	**-**	1,941,035	1,941,035

7 Operating segments

The Group is organized into two operating segments as described below, which are the Group's strategic business units. These segments distribute their products through various forms of brokers, agencies and direct marketing programs. Management identifies its reportable operating segments by product line consistent with the reports used by the management. These segments and their respective operations are as follows:

General business: This segment covers the protection of customers' assets (particularly their properties, both for personal and commercial business) and indemnification of other parties that have suffered damage as a result of customers' accidents. All contracts in this segment are short-term in nature. Revenue in this segment is derived primarily from insurance premium, investment income and net realized gains on financial assets.

Life business: This segment covers the protection of the Group's customers against the risk of premature death, disability, critical illness and other accidents. Revenue from this segment is derived primarily from insurance premium, investment income and net fair value gains on financial assets.

Expenses for corporate units that render services for all business segments are initially paid by the general business segment and transferred to other business units at cost price. The expenses are allocated based on service man hours rendered by the corporate units to the various business segments.

The corporate expenses for the following centrally shared services are being apportioned to all business segments in the group:

- Internal controls and audits
- Financial control
- Human resources
- Information technology

7 Operating segment (continued)

Business segments
The Group operates the following main business segments:
General
Coronation Insurance Plc - Includes general business insurance transactions with individual and corporate customers
Coronation Insurance Ghana Limited - Includes general business insurance transactions with individual and corporate customers

Life
Coronation Life Assurance Limited - Includes life insurance policies with individual and corporate customers.
The segment information is based on internal reporting to the Chief Operating Decision Maker in line with IFRS.

	General Business		**Life Business**		**General Business**					
	Coronation Insurance Plc		*Coronation Life Assurance Ltd*		*Coronation Insurance Ghana Ltd*		Elimination Adjustments	Elimination Adjustments	*Group Total*	
	31/12/20	31/12/19	31/12/20	31/12/19	31/12/20	31/12/19	31/12/20	31/12/19	31/12/20	31/12/19
Revenue:										
Derived from external customers:										
- Gross premium income	12,337,208	11,819,205	3,590,081	2,665,543	1,366,526	1,411,788	-	-	17,293,815	15,896,536
- Reinsurance expenses	(8,463,606)	(6,840,814)	(1,089,539)	(640,214)	(381,048)	(602,521)	-	-	(9,934,193)	(8,083,550)
Net insurance premium income	3,873,602	4,978,391	2,500,542	2,025,328	985,479	809,266	-	-	7,359,622	7,812,986
- Commission received	1,750,144	1,386,629	281,165	130,317	78,082	148,378	-	-	2,109,390	1,665,323
- Investment income	801,951	1,114,003	372,508	466,317	172,718	120,609	(425,004)	(788,633)	922,174	912,297
- Profit on investment contracts	-	-	193,223	195,290	-	-	-	-	193,223	195,290
- Net realised gain/(loss) on financial assets	65,647	-	1,570	-	-	-	-	-	67,218	-
- Net fair value loss on financial assets at fair value through profit or loss	-	1,300	-	-	-	-	-	-	-	1,300
- Other operating income	668,377	140,889	348,703	72,629	89,343	194,572	(324,066)	(125,340)	782,356	282,751
	7,159,721	7,621,212	3,697,711	2,889,881	1,325,621	1,272,826	(749,071)	(913,973)	11,433,982	10,869,947
Expenses:										
Underwriting expenses	2,036,327	2,873,543	637,421	342,283	309,358	211,785	-	-	2,983,105	3,427,611
Decrease/ (Increase) in individual life fund	-	-	(11,529)	72,117	-	-	-	-	(11,529)	72,117
Employee benefit expense	666,284	916,472	227,472	247,260	168,317	192,129			1,062,074	1,355,860
Other operating expense	2,475,862	2,558,096	1,510,794	1,044,552	357,124	427,701	21,791	(28,322)	4,365,572	4,002,027
Claims incurred	1,865,932	1,709,289	1,001,262	916,351	338,981	427,432	-	-	3,206,175	3,053,072
Total underwriting and operating expenses	7,044,405	8,057,400	3,365,420	2,622,563	1,173,780	1,259,047	21,791	-	11,605,396	11,910,688
Share of profit of associate									1,317,621	1,064,366
Profit/(loss) before tax	115,316	(533,049)	332,291	267,318	151,841	13,779	(727,279)	(788,633)	1,146,207	23,625
Income tax	100,176	224,067	(6,254)	(21,805)	(36,971)	(11,560)	-	-	56,951	190,702
Profit/(loss) after tax	215,492	(308,982)	326,037	245,513	114,870	2,219	(727,279)	(788,633)	1,203,158	214,327
Assets and Liabilities:										
Total assets	28,153,661	21,556,410	13,469,613	8,812,469	2,936,496	2,293,288	(4,836,208)	(1,916,649)	39,723,562	30,745,519
Total liabilities	9,184,726	6,926,064	4,885,840	4,775,999	1,738,630	1,462,878	(1,054,490)	(939,048)	14,754,706	12,225,894
Net assets/(liabilities)	18,968,935	14,630,346	8,583,773	4,036,470	1,197,865	830,410	(3,781,718)	(977,601)	24,968,856	18,519,625

Revenue Account - Company

Revenue account for the period ended 31 December 2020

DETAILS	MOTOR ₦'000	FIRE ₦'000	GEN ACC ₦'000	MARINE ₦'000	AVIATION ₦'000	ENGINEERING ₦'000	OIL AND ENERGY ₦'000	BOND ₦'000	Travels ₦'000	TOTAL ₦'000
Income										
Direct Premium	752,417	650,844	988,804	202,453	11,279	5,959,135	2,563,749	9,569	-	**11,138,250**
Reinsurance Inwards	21,173	29,782	90,422	91,659	75	26,525	239,018	-	-	**498,653**
Gross written premium	**773,589**	**680,626**	**1,079,227**	**294,113**	**11,353**	**5,985,660**	**2,802,767**	**9,569**	**-**	**11,636,903**
Movement in provision for unexpired risk	86,390	42,899	(44,971)	12,739	17,604	382,392	204,192	(940)	-	**700,305**
Gross premium income	**859,980**	**723,524**	**1,034,256**	**306,852**	**28,957**	**6,368,052**	**3,006,959**	**8,629**	**-**	**12,337,208**
Deduction from income										
- Facultative outward	1,168	36,623	109,966	13,555	24,432	5,628,536	928,652	6,092	-	**6,749,022**
- Liability pool	34,329	-	9,157	-	-	-	-	-	-	**43,486**
- Surplus Treaty	74,598	408,407	242,023	135,364	-	272,224	-	-	-	**1,132,616**
- Energy pool	-	-	-	-	-	-	-	-	-	**-**
- Minimum and deposit premium	-	30,996	-	9,216	-	-	-	-	-	**40,212**
Outward reinsurance Premium	**110,095**	**476,026**	**361,146**	**158,135**	**24,432**	**5,900,759**	**928,652**	**6,092**	**-**	**7,965,336**
Movement in prepaid reinsuranc	9,000	(9,562)	38,779	17,687	-	305,641	137,542	(818)	-	**498,269**
Reinsurance Cost	**119,095**	**466,464**	**399,925**	**175,822**	**24,432**	**6,206,400**	**1,066,193**	**5,274**	**-**	**8,463,606**
Net premium income	**740,884**	**257,060**	**634,331**	**131,030**	**4,525**	**161,651**	**1,940,765**	**3,355**	**-**	**3,873,602**
Commission received	27,299	124,662	105,149	42,829	496	1,175,777	185,912	1,827	-	**1,663,951**
Movement in deferred commission income	1,747	195	10,166	5,846	-	54,949	13,289	-		**86,193**
Underwriting income	**769,931**	**381,917**	**749,646**	**179,705**	**5,021**	**1,392,377**	**2,139,966**	**5,182**	**-**	**5,623,746**
Expenses										
Gross claims paid	367,784	397,770	206,673	309,718	3,405	109,815	467,660	-	-	**1,862,827**
Movement in provision for outstanding claims	5,339	763,934	361,636	1,575,567	1,766	232,501	111,960	(31,423)	-	**3,021,279**
Movement in provision for IBNR	(78,033)	(63,501)	(59,444)	(28,626)	(14,869)	54,805	260,249	-	-	**70,582**
	295,090	**1,098,203**	**508,866**	**1,856,659**	**(9,698)**	**397,122**	**839,868**	**(31,423)**	**-**	**4,954,687**
Claims recoveries	(43,767)	(233,753)	(51,101)	(247,213)	(1,475)	(64,780)	(15,665)	-	-	**(657,756)**
Movement in claims recoverabl	(266)	(539,279)	(225,506)	(1,497,961)	-	(176,160)	-	-	-	**(2,439,171)**
Movement in IBNR claims recoverabl	(5,579)	(34,926)	19,469	11,656	1,865	15,584	103	-	-	**8,172**
Net claims incurred	**245,479**	**290,245**	**251,728**	**123,140**	**(9,308)**	**171,765**	**824,306**	**(31,423)**	**-**	**1,865,932**
Underwriting expenses										
Acquisition expenses	49,343	110,921	187,767	46,959	2,271	949,822	497,549	-	-	**1,844,631**
Movement in deferred acquisition cost	4,746	14,181	(6,453)	(476)	3,156	51,595	32,958	-	-	**99,707**
Maintenance expenses	170,857	45,069	71,622	14,321	8,744	(446,756)	228,133	-	-	**91,989**
Total underwriting expenses	**224,946**	**170,171**	**252,935**	**60,804**	**14,171**	**554,660**	**758,640**	**-**	**-**	**2,036,327**
Underwriting profit	**299,506**	**(78,500)**	**244,983**	**(4,240)**	**159**	**665,952**	**557,020**	**36,606**	**-**	**1,721,488**

Operating Segment

Revenue Account - Company

Revenue account for the period ended 31 December 2019

DETAILS	MOTOR N'000	FIRE N'000	GEN ACC N'000	MARINE N'000	AVIATION N'000	ENGINEERING N'000	OIL AND ENERGY N'000	BOND N'000	Travels N'000	TOTAL N'000
Income										
Direct Premium	852,773	765,186	780,723	223,723	123,474	3,966,801	3,083,186	9,569	667	**9,806,103**
Reinsurance Inwards	42,121	86,885	102,666	157,572	4,289	98,573	411,211	-	-	**903,317**
Gross written premium	**894,894**	**852,071**	**883,388**	**381,295**	**127,764**	**4,065,375**	**3,494,397**	**9,569**	**667**	**10,709,420**
Movement in provision for unexpired risks	(31,720)	(173,648)	267,390	(4,698)	19,458	1,096,732	(63,388)	(341)	-	**1,109,785**
Gross premium income	**863,174**	**678,423**	**1,150,778**	**376,597**	**147,222**	**5,162,106**	**3,431,009**	**9,228**	**667**	**11,819,205**
Deduction from income										
- Facultative outward	-	95	63,128	3,269	-	9,548	1,278,226	-	-	**1,354,266**
- Liability pool	39,051	-	37,122	-	-	-	-	-	-	**76,173**
- Surplus Treaty	119,199	420,453	326,993	190,785	-	176,321	-	-	-	**1,233,752**
- Energy pool	22,909	-	99,023	8,375	2,930	3,579,929	-	-	-	**3,713,165**
- Minimum and deposit premium	-	-	-	-	68,120	-	(0)	-	-	**68,120**
Outward reinsurance Premium	**181,158**	**420,548**	**526,265**	**202,429**	**71,050**	**3,765,799**	**1,278,226**	**-**	**-**	**6,445,476**
Movement in prepaid reinsurance	(47,852)	2,120	30,539	3,403	(4,440)	480,789	(69,221)	-	-	**395,338**
Reinsurance Cost	**133,307**	**422,668**	**556,804**	**205,832**	**66,610**	**4,246,588**	**1,209,005**	**-**	**-**	**6,840,814**
Net premium income	**729,867**	**255,755**	**593,974**	**170,766**	**80,612**	**915,518**	**2,222,004**	**9,228**	**667**	**4,978,391**
Commission received	34,981	99,187	191,205	89,736	659	764,544	150,439	-	539	**1,331,290**
Movement in deferred commission income	1,506	170	(9,489)	(1,984)	-	43,226	21,910			**55,339**
Underwriting income	**766,353**	**355,113**	**775,690**	**258,517**	**81,271**	**1,723,288**	**2,394,354**	**9,228**	**1,206**	**6,365,020**
Expenses										
Gross claims paid	501,006	749,728	262,496	96,544	86,423	193,612	136,331	-	-	**2,026,140**
Movement in provision for outstanding claims	(46,658)	(173,883)	(52,749)	(17,655)	(4,731)	88,427	331,873	34,400	-	**159,025**
Movement in provision for IBNR	(6,170)	13,365	(8,738)	15,190	(23,006)	137,594	(86,031)	-	-	**42,205**
	448,179	**589,211**	**201,008**	**94,079**	**58,686**	**419,634**	**382,173**	**34,400**	**-**	**2,227,370**
Claims recoveries	(70,519)	(265,729)	(72,952)	(65,601)	-	(138,976)	-	-	-	**(613,776)**
Movement in claims recoverable	5,848	82,708	20,679	747	(2,831)	(36,580)	3	-	-	**70,575**
Movement in IBNR claims recoverable	(483)	37,559	5,830	(2,896)	(81)	(14,703)	(103)	-	-	**25,122**
Net claims incurred	**383,025**	**443,749**	**154,565**	**26,329**	**55,774**	**229,375**	**382,072**	**34,400**	**-**	**1,709,291**
Underwriting expenses										
Acquisition expenses	61,289	148,606	159,228	65,373	25,987	602,613	672,081	-	-	**1,735,176**
Movement in deferred acquisition cost	218	(29,848)	52,177	898	4,308	205,716	(7,594)	-	-	**225,876**
Maintenance expenses	31,926	5,946	58,618	24,001	10,351	13,082	768,567	1	-	**912,491**
Total underwriting expenses	93,432	124,704	270,023	90,272	40,646	821,411	1,433,054	1	-	**2,873,543**
Underwriting profit	**289,896**	**(213,341)**	**351,101**	**141,916**	**(15,148)**	**672,503**	**579,228**	**(25,173)**	**1,206**	**1,782,187**

8 Cash and cash equivalents

Cash and cash equivalent includes cash in hand, balances at bank and short term instruments with less than 3 months original maturity from the date of acquisition.

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Cash at bank and in hand	1,337,157	641,465	371,081	310,859
Money market placements	1,073,762	512,047	467,119	195,540
ECL on money market placements	(1,615)	(1,013)	(1,108)	(334)
Balance, end of year	2,409,304	1,152,498	837,091	506,065
Breakdown of Impairment				
Impairment at beginning of year	1,013	3,640	334	2,673
Movement during the year	602	(2,627)	774	(2,339)
Impairment at year end	1,615	1,013	1,108	334

9 Financial assets

These financial assets represent the Group's and the Company's holdings in investment securities and are summarised by classification

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Financial assets at fair value through OCI	11,561,778	7,304,418	3,307,092	1,979,496
Financial assets at amortised cost	3,149,918	1,764,857	411,206	362,328
Balance, end of year	14,711,696	9,069,275	3,718,298	2,341,825

(a) Financial assets at fair value through OCI

These securities represent the Group and the Company's interest in entities:

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Equity securities:				
– Listed (see note (i) below)	84,095	123,933	15	99,997
– Unlisted (see note (ii) below)	1,060,801	667,808	745,146	270,563
Fixed income securities (see note (iv) below)	10,416,882	6,512,678	2,561,931	1,608,937
Carrying amount	11,561,778	7,304,418	3,307,092	1,979,496

Movement in Financial assets at fair value through OCI

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Equity securities:				
(i) Listed				
Balance, beginning of year	123,933	957,563	99,997	956,985
Acquisitions during the year	71,812	-	-	-
Fair value changes during the year	(11,668)	535,941	-	513,161
Disposal during the year	(99,982)	(1,369,571)	(99,982)	(1,370,149)
Balance, end of year	84,095	123,933	15	99,997

During the year, the company's investment in Access Bank Plc shares were disposed. Additionally, cummulative gains in OCI amounting to N15.3m were reclassified to retained earnings. See Note 38(b).

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
(ii) Unlisted				
Balance, beginning of year	667,808	195,161	270,563	195,161
Acquisitions during the year	-	1,011,291	-	200,531
Reclassification from receivables (Note 13(a)((i)(c)))	409,550	-	409,550	-
Fair value changes during the year	78,384	10,650	78,384	10,650
Exchange difference	34,532	-	34,532	-
Disposal during the year	(129,472)	(549,294)	(47,883)	(135,779)
Balance, end of year	1,060,801	667,808	745,146	270,563

(iii) The breakdown of Financial assets at fair value through OCI unlisted equity securities are shown below;

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
African Reinsurance Corporation	75,079	45,017	75,079	45,017
Nigerian Liability Insurance Pool	44,092	13,905	44,092	13,905
Energy and Allied Insurance Pool	61,189	56,704	61,189	56,704
One Terminal Limited	300,000	-	-	-
Petralon 54 Limited (See note (iii)(a) below)	444,082	-	444,082	-
Coronation Merchant Bank Money Market Fund	136,360	552,182	120,704	154,937
Carrying amount	1,060,801	667,808	745,146	270,563

(a) During the year, the board approved the conversion of the company's convertible preference share investment in Petralon 54 Limited. Effective November 2020, the Company acquired 740,079 ordinary shares valued at N444 million via the conversion, which brought its equity holdings in the investee to 2.6% of the issued and fully paid ordinary shares of the investee. Exchange gains of N34.5m were recognised (see note 38(b))

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
(iv) ***Fixed income securities:***				
Movement in Financial assets at fair value through OCI fixed income securities				
Balance, beginning of year	6,512,678	4,119,541	1,608,937	260,945
Acquisitions during the year	14,825,243	7,308,406	7,721,148	3,208,163
Disposals/maturities/redemption during the year	(12,030,358)	(5,377,550)	(7,060,125)	(1,933,419)
Accrued interest receivables	522,607	169,211	20,614	63,644
Fair value changes during the year	586,711	293,070	271,357	9,604
Balance, end of year	10,416,882	6,512,678	2,561,931	1,608,937

The breakdown of Financial assets at fair value through OCI fixed income financial assets are shown below;

	Group 2020	Group 2019	Company 2020	Company 2019
Debt securities:				
– Corporate bonds	937,127	-	125,674	-
– Government bonds	8,512,914	3,884,623	2,396,229	1,522,762
– Treasury bills	966,841	2,628,055	40,029	86,176
Carrying amount at fair value	10,416,882	6,512,678	2,561,931	1,608,937

(b) Financial assets at amortised cost

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Movement in Financial assets at amortised cost				
Balance, beginning of year	1,764,857	2,571,929	362,328	809,832
Acquisitions during the year	1,781,622	-	-	-
Disposals/maturities/redemption during the year	(306,635)	(771,586)	-	(426,366)
Foreign exchange gain	46,454	-	46,454	-
Accrued interest receivables	27,675	73,160	27,675	31,380
Interest received during the year	(156,813)	(108,842)	(25,100)	(57,746)
Impairment on financial assets	(7,241)	195	(151)	5,228
Balance, end of year	3,149,918	1,764,857	411,206	362,328

The breakdown of Financial assets at amortised cost are shown below;
Debt securities:

	Group 2020	Group 2019	Company 2020	Company 2019
– Government bonds	1,503,450	1,718,968	413,758	364,728
– Treasury bills	-	73,184	-	-
– Promissiory notes	1,681,005	-	-	-
Impairment on financial assets	(34,537)	(27,295)	(2,551)	(2,400)
Carrying amount at amortised cost	3,149,918	1,764,857	411,206	362,328

At the reporting date, no financial asset at amortised cost was either past due or impaired.

Breakdown of Impairment	Group 2020	Group 2019	Company 2020	Company 2019
Impairment as at beginning of year	27,295	27,490	2,400	7,628
Movement during the year	7,241	(195)	151	(5,228)
Impairment at year end	34,537	27,295	2,551	2,400

(c) Gross reconciliation of Investment securities

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Balance, beginning of year	9,069,275	7,844,194	2,341,825	2,222,923
Acquisitions during the year	16,678,677	8,319,697	7,721,148	3,408,694
Disposals/maturities/redemption during the year	(12,566,447)	(8,176,843)	(7,207,990)	(3,923,459)
Foreign exchange gain	80,986	-	80,986	-
Reclassification	409,550	-	409,550	-
Accrued interest receivables	550,282	242,371	48,289	95,024
Interest received during the year	(156,813)	-	(25,100)	-
ECL	(7,241)	195	(151)	5,228
Fair value	653,428	839,661	349,741	533,415
Balance, end of year	14,711,696	9,069,276	3,718,298	2,341,825

10 Trade receivables

(a) Trade receivables

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Gross receivables	730,870	719,093	228,963	195,585
Less: impairment allowance (see note (b) below)	(660,688)	(658,877)	(171,445)	(170,635)
Balance, end of year	70,181	60,216	57,518	24,950

(b) The movements in impairment allowance on trade receivables is analyzed below;

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Balance, beginning of year	658,877	658,877	170,635	170,635
Impairment charge/(reversal) during the year	1,811	-	810	-
Write-off	-	-	-	-
Balance, end of year	660,688	658,877	171,445	170,635

11 Reinsurance assets

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
(a) Claim recoverables (see note (b))	3,777,546	854,482	2,811,805	500,721
Prepaid reinsurance (see note (d))	1,093,089	2,327,686	804,442	1,302,438
-Less impairment allowance (see note e)	(2,534)	(1,201)	(706)	(706)
Balance, end of year	4,868,100	3,180,967	3,615,541	1,802,452

(b) Claims recoverables are analysed as follows:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Recoverable on claims - Incurred but not reported claims	486,927	287,793	138,382	146,554
Recoverable on outstanding claims	3,159,896	441,816	2,668,466	229,294
Recoverable on claims paid	130,723	124,872	4,957	124,872
Balance, end of year	3,777,546	854,482	2,811,805	500,721

(c) The movement in claims recoverable is analysed as follows:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Balance, beginning of year	854,482	813,825	500,721	490,209
Recoveries during the year	(780,560)	(982,841)	(777,670)	(507,568)
Increase in recoverable during the year	3,703,624	1,023,498	3,088,755	518,080
Balance, end of year	3,777,546	854,482	2,811,805	500,721

(d) The movement in prepaid reinsurance cost is analysed as follows:

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Balance, beginning of year	2,327,686	2,878,317	1,302,438	1,697,775
Cost incurred during the year	8,699,595	7,532,919	7,965,610	6,445,477
Amortised during the year	(9,934,193)	(8,083,550)	(8,463,606)	(6,840,814)
Balance, end of year	1,093,089	2,327,686	804,442	1,302,438

(e) Breakdown of impairment

Impairment as at beginning of year	1,201	-	706	-
Movement during the year	1,333	1,201	-	706
Impairment at year end	2,534	1,201	706	706

12 Deferred acquisition cost

This represents commission on unearned premium relating to the unexpired tenure of risk.

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Balance, beginning of year	664,025	749,174	372,952	598,828
Exchange difference	11,530	3,567	-	-
Addition during the year	2,717,644	3,338,895	1,936,620	2,647,667
Amortised during the year	(2,983,105)	(3,427,611)	(2,036,327)	(2,873,543)
Balance, end of year	410,093	664,025	273,245	372,952

13 Other receivables & prepayments

(a)(i)

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Staff loans	78,227	80,110	51,215	80,110
Capitalisation expenses (see (a) below)	-	298,300	-	260,790
Prepayment (see (d) below)	127,766	155,026	41,606	75,994
Intercompany and related party receivables (see note (iii) below)	40,879	40,879	110,322	107,308
Deposit for shares (see (b) below)	-	250,000	-	-
Sundry receivables (see note (ii) below)	2,235,364	2,309,299	1,735,518	1,836,409
	2,482,235	3,133,614	1,938,661	2,360,611
– Less: Impairment allowance (see note (b) below):	(1,790,033)	(1,618,785)	(1,351,896)	(1,172,772)
	692,201	1,514,829	586,765	1,187,839

a. Recapitalisation expenses: This relates to allowable expenses incurred for the purpose of the right issue capitalisation exercise. The recapitalisation was completed in during the year and the expenses deducted from equity.

b. The Group's deposit for shares relate to deposit for investment in One Terminal Limited. The company is an indigenous company incorporated to provide strategic storage, marketing and logistics solutions for the downstream oil & gas sector in Nigeria and has by way of private placement offer equity stake to willing investors. During the year, the company finalised the private placement offer to its investors upon approval by the CAC and as such, the Group has reclassified its Deposit for Shares to Unquoted Equities. (Note 9((a)(ii)))

c. Included as part of Sundry receivables (see (ii) below) is the Company's convertible preference share investment in Petralon 54 Limited of N145m (2019: 519m) which comprised the Principal, interest and redemption premium. The balance of N145m as at 31 December 2020 represents the Redemption premium on this investment as effective November 2020, the board approved the conversion of the the principal and accrued interest on the investment into equity stakes in the investee company, valued at N444m (See Note 9(a)(iii)(a).

d. Prepayments: These relate to staff related payments such as group life insurance.

(ii) Sundry receivables:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Due from Summit Finance Limited	1,011,630	1,011,630	728,106	728,106
Due from Tropics Finance Limited	228,115	228,115	228,115	228,115
Due from Petralon Energy Limited	145,804	519,308	145,804	519,308
Due from Etuna and other closed Property development	78,434	86,882	78,434	86,882
I-Val Investment Receivable	124,207	132,083	-	-
Due from Oilview Estate	27,000	27,000	27,000	27,000
Due from Profund Securities Limited	21,785	21,785	21,785	21,785
Withholding Tax Receivable	82,279	153,445	70,039	141,670
Due from ex-staff loan	8,470	8,470	2,629	2,628
Interest Receivable on Statutory Deposit	13,050	28,470	4,227	13,540
Expense Recoverable	14,385	4,526	6,225	4,526
Others Receivables (See note (ii)(a) below)	480,204	87,585	423,153	62,850
	2,235,364	2,309,299	1,735,518	1,836,409

(ii)(a)

Included as part of Other receivables is a gross amount of N358m which represents the debit balances reclassified from liability accounts during the year subsequent to a housekeeping review of the company's ledgers performed.

A full reconcilliation of this amount is ongoing and management has made a provision of N179m in respect of this amount which is included in the movement in impairment allowance in Note (b) below.

(iii)

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Due from Wapic Ghana - expense recoverable	-	-	69,442	66,429
Due from Coronation Merchant Bank - Dividend recievable	40,879	40,879	40,879	40,879
	40,879	40,879	110,322	107,308

(b) The movements in impairment allowance for other receivables is analyzed below;

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	1,618,785	1,634,900	1,172,772	1,178,515
Allowance/(recoveries) made during the year	171,248	(16,115)	179,125	(5,743)
Balance, end of year	1,790,033	1,618,785	1,351,896	1,172,772

The movement in this account relates to the additional impairment on reclassified debit balances as described in Note 13 (ii)(a).
Also (See note 42a)

(c) The breakdown of impairment allowance on other receivables is analyzed below:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Profund securities	21,785	21,785	21,785	21,785
Sunmmit finance limited	1,011,631	1,011,631	728,106	728,106
Tropics finance limited	228,115	228,115	228,115	228,115
I-Val Property Receivable	124,207	132,083	-	-
Coronation Merchant Bank (Dividend receivable)	40,879	40,879	40,879	40,879
Due from Oil view estate	27,000	27,000	27,000	27,000
Receivable from Etuna and other closed property	86,882	86,882	86,882	86,882
Withholding tax receivable	18,027	18,027	18,027	18,027
Expense Recoverable	28,574	28,574	4,526	4,526
Ex-Staff loans	8,469	8,469	2,628	2,628
Others	15,340	15,340	193,948	14,824
Balance, end of year	1,610,909	1,618,785	1,351,896	1,172,772

14 Investment properties

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Investment properties (see (a) below)	80,480	254,780	80,480	254,780
Balance, end of year	80,480	254,780	80,480	254,780

(a) **Investment properties are analysed by location as follows:**

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Hexagon Court, Ikeja Lagos (see (c) below)	-	117,000	-	117,000
Ocean Garden, Lekki, Lagos (see (c) below)	76,000	76,000	76,000	76,000
Happy People Estate, Magboro, Ogun State	4,480	4,480	4,480	4,480
Victoria Garden Estate Abuja	-	57,300	-	57,300
Balance, end of year	80,480	254,780	80,480	254,780

(b) The Company's investment properties were valued by independent professional Estate Surveyor and Valuer as at 31 December 2020. The determination of fair value of the investment properties were supported by market evidence. The modalities and process of valuation utilised extensive analysis of market data and other sector specific peculiarities corroborated with available database derived from previous experiences. The Company used the following Estate Surveyor and Valuer who have recent experience in the location and category of the investment properties being valued:

Estate Surveyor and Valuer	*FRC Registration Number*
Bode Adedeji Partnership	FRC/2013/NIESV/00000001479

(c.) The Group applied fair value model in determining the carrying value of its investment properties.

The fair value measurement for the investment properties has been categorised as a Level 3 fair value basis. Level 3 fair values of investment properties have been derived using the comparative method valuation approach. Sales prices of recent comparable properties within the same or similar neighbourhood are adjusted for considerations of the peculiar attributes of the property which includes specific location, internal layout plans as well as other relevant qualities.

There are no restrictions to title and contractual obligations to purchase any of the Group's investment property.

(d) The movement in investment properties during the year was as follows:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	254,780	253,480	254,780	253,480
Disposal during the year	(57,300)	-	(57,300)	-
Impairment (See (h))	(117,000)	-	(117,000)	-
Fair value gain recognised in profit or loss	-	1,300	-	1,300
At end of year	80,480	254,780	80,480	254,780

(e.) The Group and the Company earned total rental income N1.4 million (2019: N2.4 million) from its investment properties during the year (see note 36). Rental income is analysed below:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Ocean Garden, Lekki, Lagos	1,367	2,400	1,367	2,400
	1,367	2,400	1,367	2,400

(f) Investment properties disposed during the year was as follows:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Sales proceeds	53,055	-	53,055	-
Transfer from investment property account	(57,300)	-	(57,300)	-
Loss on disposal of investment property	(4,245)	-	(4,245)	-

(g) The title status of the Group and Company investment properties is detailed below:

Description of Investment Property	**Title Status**
Ocean Garden, Lekki Lagos	Process Commenced
Happy People Estate, Magboro, Ogun State	In progress

(h) During the year, the carrying amount of the Property Hexagon Court, Ikeja Lagos was fully impaired. This was as a result of a judgement given against the company with respect to ownership of the property. Although the case is still under appeal, management has deemed it prudent to impair this balance pending the outcome of the appeal suit. See note 41(a)(i)

15 Investment in associates

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Coronation Merchant Bank Limited	10,803,424	9,390,061	5,059,810	5,059,810
Coronation Securities Limited	395,882	363,630	363,630	363,630
Balance, end of year	11,199,306	9,753,691	5,423,440	5,423,440

(a) Nature of investment in associates

Name of entity	Place of business/ country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
Investment in Coronation Merchant Bank Limited	Nigeria	25.50%	Investee	Equity method
Investment in Coronation Securities Limited	Nigeria	25.50%	Investee	Equity method

This represents holding in the ordinary share capital of Coronation Merchant Bank Limited, a Company incorporated and operating in Nigeria (2019: 25.50%). The holding became an associate as a result of additional shareholding in the Company in January 2015. Coronation Merchant Bank Limited (Formerly; Associated Discount House Limited (ADH)) is involved in trading in, holding and provision of discount and rediscount facilities for Federal Government Securities, Commercial Bills and other eligible financial instruments, as prescribed by the CBN to corporate and individual customers.

Coronation Securities Limited (“COSEC") is a licenced broker-dealer firm regulated by the Securities and Exchange Commission (“SEC”) and the Nigerian Stock Exchange.

There are no contingent liabilities relating to the group’s interest in the associates.

(b) Summarised financial information for associates

Below are the summarised financial information for investment in associate accounted for using the equity method

(i) Summarised balance sheet

	Coronation Securities Ltd		Coronation Merchant Bank Ltd	
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Assets				
Cash and cash equivalents	2,756,993	4,031,253	12,773,734	8,956,378
Due from financial institution	-	-	35,806,050	57,473,891
Non pledge trading assets	-	-	10,343,935	11,408,065
Derivatives financial assets	-	-	5,500,493	2,410,142
Investment securities	355,174	106,581	108,219,301	60,307,880
Stockbroking deposits	1,780	1,780	-	
Pledged assets	-	-	16,104,307	16,326,798
Loans and advances to customers	-	-	122,682,497	72,683,949
Other assets	82,827	101,088	87,952,775	10,745,065
Investment in subsidiaries	-	-	-	-
Right of use asset	16,380	-	53,994	76,861
Intangible assets	29,839	18,404	1,116,582	706,412
Property, plant and equipment	10,861	10,451	6,586,596	6,472,233
Deferred tax	-	-	5,216,566	5,777,715
Asset classified as held for sale	-	-	-	5,000
Total assets	3,253,854	4,269,557	412,356,830	253,350,389
Liabilities				
Financial liabiliites (excluding trade payables)	2,114,991	2,822,098	286,974,054	180,068,670
Other liabiliites	91,678	368,555	82,404,278	38,712,890
Total liabilities	2,206,669	3,190,653	369,378,332	218,781,560
Total equity	1,047,185	1,078,904	42,978,498	34,568,829

(ii) Summarised statement of profit or loss and other comprehensive income

	Coronation Securities Ltd		Coronation Merchant Bank Ltd	
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Interest income	345,143	329,618	19,950,522	25,093,015
Interest expense	-	-	(15,269,476)	(20,655,653)
Net Impairment / (writeback) on financial assets	-	-	(228,240)	(90,491)
Fees and commission income	154,282	191,191	1,884,587	1,351,031
Net gains on investment securities	-	-	4,748,985	4,011,964
Net foreign exchange income	-		386,249	314,810
Other income	19,219	39,450	387,183	357,995
Operating expenses	(331,241)	(313,553)	(6,075,388)	(5,358,787)
Profit before tax	**187,403**	**246,706**	**5,784,422**	**5,023,884**
Income tax	(60,925)	-	(743,758)	(257,172)
Profit for the year	**126,478**	**246,706**	**5,040,664**	**4,766,712**
Other comprehenive income	-	27,481	2,168,619	1,376,794
Total comprehensive income	**126,478**	**274,187**	**7,209,283**	**6,143,506**

(c) Movement in investment in associate

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	9,753,691	8,763,246	5,423,440	5,059,810
Additions during the year	-	363,630	-	363,630
Dividend received during the year	(425,004)	(788,633)	-	-
Share of current year profit	1,317,621	1,064,366	-	-
Share of current year other comprehensive income	552,998	351,082	-	-
Balance, end of year	11,199,306	9,753,691	5,423,440	5,423,440

(i) There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the associate to the extent that regulatory framework within which the associate operate does not inhibit the Group.

(ii) Reconciliation of summarised financial information

	Group	Group
	2020	**2019**
	31-Dec	**31-Dec**
	N'000	**N'000**
Opening net assets/net assets on date on acquisition	35,161,485	32,110,659
Profit for the year	5,167,142	4,766,712
Other comprehensive income for the year	2,168,619	1,376,794
Dividend paid to shareholders	(1,666,680)	(3,092,680)
Closing net assets	40,830,566	35,161,485
Interest in associate	10,411,794	8,966,179
Impact of changes in net assets	359,570	359,570
Notional goodwill	427,942	427,942
Carrying value	11,199,306	9,753,691

16 Investment in subsidiaries

	Company	Company
	2020	**2019**
	31-Dec	**31-Dec**
	N'000	**N'000**
Coronation Life Assurance Limited (see note (a) below)	7,798,591	3,900,000
Coronation Insurance Ghana Limited (see note (b) below)	1,460,915	1,460,915
Balance, end of year	9,259,506	5,360,915

(a) This represents 100% holding in the ordinary share capital of Coronation Life Assurance Limited, a wholly owned subsidiary incorporated and operating in Nigeria.

(b) This represents 100% holding in the ordinary share capital of Coronation Insurance Ghana Limited; a wholly owned subsidiary incorporated and conducting general insurance business in Ghana.

(c) The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory framework within which subsidiaries operate. The supervisory framework require the insurance subsidiaries to keep certain levels of regulatory capital and liquid assets.

(d) The movement in investment in subsidiaries during the year was as follows:

	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Balance, beginning of the year	5,360,915	5,360,915
Additions during the year	3,898,591	-
Balance, end of the year	9,259,506	5,360,915

17 Intangible assets - Computer software

	Group N'000	Company N'000
Cost:		
31 December 2020		
Balance at 1 January 2020	939,745	879,072
Additions	158,294	31,740
Exchange difference	1,442	-
Balance at 31 December 2020	1,099,481	910,812
31 December 2019		
Balance at 1 January 2019	777,468	725,684
Additions	159,335	150,436
Reclassification (see note 18)	4,983	2,952
Exchange difference	(2,041)	-
Balance at 31 December 2019	939,745	879,072
Amortization:		
31 December 2020		
Balance at 1 January 2020	430,658	392,984
Charge for the year	154,494	153,601
Exchange difference	1,224	-
Balance at 31 December 2020	586,375	546,585
31 December 2019		
Balance at 1 January 2019	296,459	259,723
Charge for the year	134,879	133,261
Exchange difference	(681)	-
Balance at 31 December 2019	430,658	392,984
Net book value:		
Balance at 31 December 2020	513,106	364,227
Balance at 31 December 2019	509,087	486,088

The Group and Company's intangible assets relate to purchased computer software.

18 (a) Property and equipment - Group
As at 31 December 2020

Cost/valuation	Leasehold land ₦' 000	Building ₦' 000	Motor vehicles ₦' 000	Computer equipment ₦' 000	Office equipment ₦' 000	Work in progress ₦' 000	Total ₦' 000
Balance, beginning of year	446,471	2,518,048	975,878	377,339	1,000,924	1,104	5,319,764
Additions	-	-	191,334	6,574	12,413	219,698	430,019
Disposals/Writeoff	-	-	(22,851)	(885)	(1,877)	-	(25,613)
Exchange difference	-	-	22,742	9,840	8,309	544	41,436
Balance, end of year	446,471	2,518,048	1,167,104	392,868	1,019,769	221,346	5,765,606
Accumulated depreciation							
Balance, beginning of year	34,872	165,927	691,394	341,309	652,289	-	1,885,791
Charge for the year	3,012	50,603	148,889	29,040	182,631	-	414,176
Disposals	-	-	(22,851)	(885)	(1,877)	-	(25,613)
Exchange difference	-	-	20,277	8,767	10,257	-	39,302
Balance, end of year	37,885	216,530	837,709	378,231	843,301	-	2,313,656
Net book value							
Balance at 31 December 2020	408,586	2,301,518	329,395	14,637	176,468	221,346	3,451,949
Balance at 31 December 2019	411,599	2,352,122	284,484	36,029	348,635	1,104	3,433,972

i. The latest independent valuation of the Interest in leasehold land and building to ascertain the open market value of the leasehold land and building was carried by Bode Adedeji Partnership, professional estate surveyors and valuers, as at 31 December 2019. The valuation was carried out in line with the Company's policy which is to to carry-out valuations of its leasehold land and building at least once within three financial years. The valuation outcome in line with the Company's assessment is that there has been no appreciation in the open market value of the leaseholdland and building, and they are currently carried at N408 million (31 December 2019: N411 million) and building N2.3 billion (31 December 2019: N2.3 billion) plus the additions less amortisation of the lease charge/depreciation during the period.

ii. The carrying amount of the Group's leasehold land would have been N16.25 million (31 December 2019: N16.25 Million) based on the cost model if it had not been restated at the revalued amount.

iii. There are no other leased assets included in the Group's property and equipment apart from leasehold land (31 December 2019: Nil)
iv. The Group has no capital commitments as at the Statement of Financial Position date (31 December 2019: Nil)
v. The Group has no legal obligation relating to dismantling/restoration cost in the locations it is situated. (31 December 2019: Nil)

18 (b) Property and equipment - Company
As at 31 December 2020

Cost/valuation	Leasehold land ₦' 000	Building ₦' 000	Motor vehicles ₦' 000	Computer equipment ₦' 000	Office equipment ₦' 000	Work in progress ₦' 000	Total ₦' 000
Balance, beginning of year	446,471	2,518,048	495,768	326,958	925,517	-	4,712,762
Additions	-	-	89,000	3,511	5,486	216,634	314,632
Balance, end of year	446,471	2,518,048	584,768	330,469	931,003	216,635	5,027,394
Accumulated depreciation							
Balance, beginning of year	34,871	165,928	417,827	297,246	607,773	-	1,523,645
Charge for the year	3,012	50,603	54,306	23,628	172,971	-	304,520
Balance, end of year	37,883	216,531	472,133	320,874	780,744	-	1,828,165
Net book value							
Balance at 31 December 2020	408,588	2,301,517	112,636	9,595	150,259	216,635	3,199,229
Balance at 31 December 2019	411,600	2,352,120	77,942	29,713	317,745	-	3,189,118

i. The latest independent valuation of the Interest in leasehold land and building to ascertain the open market value of the leasehold land and building was carried by Bode Adedeji Partnership, professional estate surveyors and valuers, as at 31 December 2019. The valuation was carried out in line with the Company's policy which is to to carry-out valuations of its leasehold land and building at least once within three financial years. The valuation outcome in line with the Company's assessment is that there has been no appreciation in the open market value of the leaseholdland and building, and they are currently carried at N408 million (31 December 2019: N411 million) and building N2.3 billion (31 December 2019: N2.3 billion) plus the additions less amortisation of the lease charge/depreciation during the period.

ii. The carrying amount of the Company's leasehold land would have been N16.25 million (31 December 2019: N16.25 Million) based on the cost model if it had not been restated at the revalued amount.

iii. There are no other leased assets included in the Company's property and equipment apart from leasehold land (31 December 2019: Nil)
iv. The Company has no capital commitments as at the Statement of Financial Position date (31 December 2019: Nil)
v. The company has no legal obligation relating to dismantling/restoration cost in the locations it is situated. (31 December 2019: Nil)

18 (a) Property and equipment - Group

As at 31 December 2019

Cost/valuation	Leasehold land ₦' 000	Building ₦' 000	Motor vehicles ₦' 000	Computer equipment ₦' 000	Office equipment ₦' 000	Work in progress ₦' 000	Total ₦' 000
Balance, beginning of year	424,597	2,340,927	778,908	372,733	998,345	52,726	4,968,235
Revaluation surplus (see note (i) below)	21,874	173,103	-	-	-	-	194,977
Additions	-	4,018	166,999	9,645	15,876	1,121	197,659
Reclassifications	-	-	44,940	748	2,055	(47,743)	-
Reclassifications to intangible assets (see note (vi) below)	-	-	-	-	-	(4,983)	(4,983)
Exchange difference	-	-	(14,969)	(5,787)	(15,352)	(17)	(36,125)
Balance, end of year	446,471	2,518,048	975,878	377,339	1,000,924	1,104	5,319,764
Accumulated depreciation							
Balance, beginning of year	27,551	119,213	570,739	286,643	482,762	-	1,486,908
Charge for the year	7,321	46,714	132,806	60,665	180,991	-	428,497
Exchange difference	-		(12,151)	(5,999)	(11,464)	-	(29,614)
Balance, end of year	34,872	165,927	691,394	341,309	652,289	-	1,885,791
Net book value							
Balance at 31 December 2019	411,599	2,352,121	284,484	36,030	348,635	1,104	3,433,972
Balance at 31 December 2018	397,046	2,221,714	208,169	86,090	515,583	52,726	3,481,327

i. The latest independent valuation of the Interest in leasehold land and building to ascertain the open market value of the leasehold land and building was carried by Bode Adedeji Partnership, professional estate surveyors and valuers, as at 31 December 2019. The valuation was carried out in the current financial year in line with the Company's policy which is to to carry-out valuations of its leasehold land and building at least once within three financial year. The valuation outcome in line with the Company's assessment is that there has been appreciation in the open market value of the leaseholdland and building, and they are currently carried at the revalued amount of N411million (31 December 2018: N397 million) and building N2.3 billion (31 December 2018: N2.2billion) plus the additions less amortisation of the lease charge/depreciation during the period.

ii. The carrying amount of the Group's leasehold land would have been N16.25 million (31 December 2018: N16.53 Million) based on the cost model if it had not been restated at the revalued amount.

iii. There are no other leased assets included in the Group's property and equipment apart from leasehold land (31 December 2018: Nil)
iv. The Group had no capital commitments as at the Statement of Financial Position date (31 December 2018: Nil)
v. The company had no legal obligation relating to dismantling/restoration cost in the locations it is situated. (31 December 2018: Nil)
vi. The balance of N4.9million has been reclassed to intangible assets (see note 17). They relate to software under development.

18 (b) Property and equipment - Company
As at 31 December 2019

	Leasehold Land	Building	Motor Vehicles	Computer Equipment	Office Equipment	Work in progress	Total
Cost/valuation	**₦' 000**	**₦' 000**	**₦' 000**	**₦' 000**	**₦' 000**	**₦' 000**	**₦' 000**
Balance, beginning of year	424,597	2,340,927	450,767	320,795	914,934	4,645	4,456,665
Revaluation surplus (see note (i) below)	21,874	173,103	-	-	-	-	194,977
Additions	-	4,018	45,001	5,415	9,638		64,071
Reclassifications	-	-	-	748	945	(1,693)	-
Reclassifications to intangible assets (see note (vi) below)						(2,952)	(2,952)
Balance, end of year	446,471	2,518,048	495,768	326,958	925,517	-	4,712,762
Accumulated depreciation							
Balance, beginning of year	27,550	119,213	373,256	242,837	436,919	-	1,199,775
Charge for the year	7,321	46,715	44,571	54,409	170,854	-	323,869
Disposals	-	-		-	-	-	-
Balance, end of year	34,871	165,928	417,827	297,246	607,773	-	1,523,644
Net book value							
Balance at 31 December 2019	411,600	2,352,120	77,941	29,712	317,744	-	3,189,119
Balance at 31 December 2018	397,047	2,221,714	77,511	77,958	478,015	4,645	3,256,890

i. The latest independent valuation of the Interest in leasehold land and building to ascertain the open market value of the leasehold land and building was carried by Bode Adedeji Partnership, professional estate surveyors and valuers, as at 31 December 2019. The valuation was carried out in the current financial year in line with the Company's policy which is to to carry-out valuations of its leasehold land and building at least once within three financial year. The valuation outcome in line with the Company’s assessment is that there has been appreciation in the open market value of the leaseholdland and building, and they are currently carried at the revalued amount of N411 million (31 December 2018: N397 million) and building N2.3 billion (31 December 2018: N2.2 billion) plus the additions less amortisation of the lease charge/depreciation during the period.

ii. The carrying amount of the Company's leasehold land would have been N16.25 million (31 December 2018: N16.53 Million) based on the cost model if it had not been restated at the revalued

iii. There are no other leased assets included in the Company's property and equipment apart from leasehold land (31 December 2018: Nil)

iv. The Company has no capital commitments as at the Statement of Financial Position date (31 December 2018: Nil)

v. The company has no legal obligation relating to dismantling/restoration cost in the locations it is situated. (31 December 2018: Nil)

vi. The balance of N2.9 million has been reclassed to intangible assets (see note 17). They relate to software under development.

19 Right of use-asset

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Cost:				
Balance, beginning of year	251,262	251,262	-	-
Additions	-	-	-	-
Balance, end of year	251,262	251,262	-	-
Accumulated amortization:				
Balance, beginning of year	63,989	-	-	-
Amortisation charge	35,515	63,989	-	-
Balance, end of year	99,504	63,989	-	-
Net book value:				
At end of year	151,758	187,273	-	-

The Right of use asset relates to lease payments made for the lease of office space (Coronation Insurance Ltd, Ghana) recognised in the books in line with IFRS 16 which became effective for reporting period beginning on or after 1 January 2019.

20 Statutory deposit

This represents amounts deposited with the Central Bank of Nigeria (CBN) and Bank of Ghana (BOG), respectively. The deposits are not available for use by the Group for day to day business.

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Balance, beginning of year	636,420	638,044	300,000	300,000
Exchange difference	58,650	(1,624)	-	-
Balance, end of year	695,070	636,420	300,000	300,000

21 Insurance contract liabilities

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Outstanding claims (See note (a) below):				
– Claims reported and loss adjustment expenses	5,653,567	2,270,472	4,322,310	1,301,031
– Claims incurred but not reported	2,063,933	2,110,781	972,574	901,993
Total outstanding claims	7,717,500	4,381,254	5,294,884	2,203,024
– Claims payable	-	-	-	-
Unearned premiums (See note (b) below)	2,937,481	4,039,594	1,740,939	2,441,243
Additional Unexpired Risk Reserve (See note (d) below)	44,313	60,919	30,738	30,738
Life insurance contract liabilities (See note (e) below)	205,573	217,102	-	-
Total insurance contract liabilities	10,904,867	8,698,870	7,066,561	4,675,005

The Company's net liability for insurance contracts was tested for adequacy by QED Actuaries & Consultants, a firm of certified actuaries with FRC number FRC2018/00000012293. The Valuation report was signed by Nicolai von Rummell FASSA with FRC number FRC/2018/NAS/00000018471

	Company	Company
	2020	2019
	31-Dec	31-Dec
	N'000	N'000
Age Analysis of Outstanding Claims (claims reported and loss adjustment expense)		
0-90 days	1,003,002	209,313
91-180 days	282,021	195,514
181-270 days	1,898,471	80,473
271-365 days	140,449	97,434
Above 365 days	998,368	718,297
	4,322,310	1,301,031

(a) Outstanding claims

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Group life	1,697,838	1,717,074	-	-
Fire	1,111,267	707,075	1,061,215	707,075
General accident	677,795	405,811	634,222	369,828
Motor	668,701	549,290	76,867	154,963
Marine	1,617,028	56,477	1,599,142	43,466
Oil and Energy	1,195,099	723,902	1,195,099	723,902
Engineering	713,987	162,641	692,553	144,806
Aviation	31,286	57,784	31,286	57,784
Bond	4,500	1,200	4,500	1,200
Total outstanding claims	7,717,500	4,381,254	5,294,884	2,203,024
				-

Outstanding Claims relates to reserves held against claims reported to have occurred but necessary support documentation are yet to be provided.
Also included in Outstanding Claim is Incurred but not reported (IBNR) reserve which is actuarialy determined.

The movement in outstanding claims reserve during the year was as follows:

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Balance, beginning of year	4,381,254	4,493,892	2,203,024	2,001,794
Exchange difference	170,371	(145,971)	-	-
Increase in outstanding claims reserve (see note 34)	3,165,875	33,333	3,091,860	201,230
Balance, end of year	7,717,500	4,381,254	5,294,884	2,203,024

(b) Unearned premiums

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Group life	615,572	1,017,212	-	-
Fire	300,325	191,975	245,471	136,321
General accident	250,963	477,825	224,644	450,209
Motor	671,572	751,255	205,959	329,031
Marine	128,794	163,404	117,187	155,759
Engineering	472,306	659,113	472,306	659,113
Oil and Energy	496,668	125,302	474,090	123,339
Aviation	-	653,507	-	587,471
Bond	1,281	-	1,281	-
Total unearned premium	2,937,481	4,039,594	1,740,939	2,441,243

(c) The movement in unearned premium account during the year was as follows:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	4,039,594	4,788,068	2,441,243	3,581,766
Premium written during the year (see note 32)	15,894,410	14,990,967	11,636,903	10,709,420
Premium earned during the year	(16,996,523)	(15,739,441)	(12,337,208)	(11,849,943)
Balance, end of year	2,937,481	4,039,594	1,740,939	2,441,243

(d) The movement in additional unexpired risk reserve during the year was as follows:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	60,919	57,517	30,738	-
Increase/(decrease) in additional unexpired risk reserve (see note 32)	(16,606)	3,402	-	30,738
Balance, end of year	44,313	60,919	30,738	30,738

(e) Life insurance contract liabilities

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	217,102	144,985	-	-
Addition during the year	(11,529)	72,117	-	-
Balance, end of year	205,573	217,102	-	-

22 Investment contract liabilities:

(a) At amortised cost

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Group deposit administration -Interest linked	1,066,054	1,201,235	-	-
Individual deposit administration -Interest linked	54,472	54,472	-	-
	1,120,526	1,255,707	-	-

(b) The movement in deposit administration funds during the year was as follows:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Balance, beginning of year	1,255,707	1,170,785	-	-
Additions	903,058	1,027,440	-	-
Withdrawals	(962,186)	(836,489)	-	-
Guaranteed interest on deposit administration	20,873	56,139	-	-
Reversal of surplus reserves	(96,926)	(162,168)	-	-
Balance, end of year	1,120,526	1,255,707	-	-

23 Trade payables

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Due to reinsurers	197,086	46,356	132,360	34,759
Commissions payable	4,579	251,390	4,579	3,162
Balance, end of year	201,665	297,746	136,939	37,921

24 Other payables

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Accrued expenses (see (a) below)	468,665	234,040	239,298	135,832
Accounts payable (see (b) below)	655,681	891,769	1,410,901	1,581,258
Other taxes (i)	166,265	187,985	143,996	168,799
Deferred commission income	178,723	279,454	143,673	229,866
Premium deposits	799,150	85,302	-	17,227
Balance, end of year	2,268,485	1,678,550	1,937,867	2,132,982

(i) This relates to WHT and VAT payable to the respective tax authorities as at 31 December 2020

(a) Breakdown of accrued expenses is analysed below:

	Group 2020	Group 2019	Company 2020	Company 2019
NAICOM annual levy	192,573	91,552	113,130	56,250
Audit fee and related expenses	34,826	21,516	13,875	14,700
Staff expense payable	15,522	49,074	6,053	16,588
Directors' and board expenses	-	8,931	-	794
Accrued training cost	134,445	-	66,627	
Accrued advert and publicity expense	68,928	300	27,616	150
Consultancy and professional fees	13,308	51,613	11,054	36,296
Investment property	-	11,054	-	11,054
Balance, end of year	468,665	234,040	239,298	135,832

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
(b) Breakdown of accounts payable is analysed below:				
Expense payable	168,112	257,236	7,208	164,622
Fixed asset payable	258,347	137,960	248,219	137,960
Unallocated premium and refund (i)	-	68,075	-	-
Unclaimed dividend	113,312	173,923	113,312	108,915
Uncleared bank items (ii)	24,080	24,080	24,080	24,080
Unearned rental income (iii)	-	-	939,751	968,228
Others	91,831	230,495	78,330	177,453
Balance, end of year	655,681	891,769	1,410,901	1,581,258

(i) This relates to payments yet to be matched on policies and other credit balances such as unpaid refunds due to various policy holders
(ii) This relates to payments made using cheques that have not yet been presented to the bank by the customer/vendor.
(iii) This relates to lease payments received for the lease of office space from Coronation Life which has been eliminated at the group level.

24(a) Lease liability

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000
Present value at 1 January	102,965	189,853
Finance cost	9,162	6,833
Interest repayments	(6,387)	(26,514)
Principal repayments	(22,576)	(67,207)
Balance, end of year	83,163	102,965

The present value of lease liabilities is as follows at end of the years:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000
Less than one year	23,323	10,140
Between one year and five years	59,840	92,824
Carrying amount	83,163	102,965

25 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Deferred tax assets	438,322	305,986	438,322	305,986
Deferred tax liabilities	-	-	-	-
Net deferred tax asset	438,322	305,986	438,322	305,986

(a) Net deferred tax is attributable to the following:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Accelerated depreciation for tax purpose	(592,843)	(613,330)	(592,843)	(613,330)
Unused tax credit (capital allowance)	805,314	706,765	805,314	706,765
Trade receivable	51,190	54,611	51,190	54,611
Tax losses	227,581	212,059	227,581	212,059
Fair value gains on revaluation of property and equipment	(52,920)	(54,119)	(52,920)	(54,119)
Total	438,322	305,986	438,322	305,986

(b) Movements in temporary differences during the year

Group and Company : 2020

	Opening Balance	Recognised in Profit/(loss)	Recognised in OCI	Closing balance
	N'000	N'000	N'000	N'000
Accelerated depreciation for tax purpose	(613,330)	20,487	-	(592,843)
Unused tax credit (capital allowance)	706,765	98,549	-	805,314
Trade receivable	54,611	(3,421)	-	51,190
Tax losses	212,059	15,522	-	227,581
Fair value gains on revaluation of property and equipment	(54,119)	1,199	-	(52,920)
Balance, end of year	305,986	132,336	-	438,322

Group and Company : 2019

	Opening Balance	Recognised in Profit/(loss)	Recognised in OCI	Closing balance
	N'000	N'000	N'000	N'000
Accelerated depreciation for tax purpose	(645,271)	31,941	-	(613,330)
Unused tax credit (capital allowance)	652,154	54,611	-	706,765
Trade receivable	54,611	-	-	54,611
Tax losses	6,766	205,293	-	212,059
Fair value gains on revaluation of property and equipment	-	-	(54,119)	(54,119)
Balance, end of year	68,260	291,845	(54,119)	305,986

26 Current income tax liabilities

Current tax expense				
Corporate income tax charge/Minimum tax	70,729	106,847	30,843	67,778
Education levy	1,317	-	1,317	-
Information technology development levy	3,322	-	-	-
Police Trust Fund	17	-	-	-
Prior year over provision	-	(5,704)	-	-
	75,385	**101,143**	**32,160**	**67,778**
Deferred tax credit	**(132,336)**	**(291,845)**	**(132,336)**	**(291,845)**
Total income tax expense	(56,951)	(190,702)	(100,176)	(224,067)

The computation of the Company’s income tax expense and deferred tax was carried out in accordance with the new 2019 Finance Act, CITA and other relevant tax laws. The changes made by the new act was incorporated in the Company's tax computation and it is believed by the management of the Company that there is no uncertainty over its Income and Deferred tax treatment that relevant tax authorities may disagree with.

(a) The movement in this account during the year was as follows:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Balance, beginning of year	192,056	258,900	80,158	139,103
Charge for the year (see note (b) below):	75,385	89,583	32,160	67,778
Payments during the year	(91,442)	(156,427)	(68,959)	(126,722)
Balance, end of year	176,000	192,056	43,359	80,158

Current income tax asset

The movement in this account during the year was as follows:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Balance, beginning of year	22,499	34,192	-	-
Exchange difference	9,496	(133)	-	-
Charge for the year	-	(11,560)	-	-
Payments during the year	-	-	-	-
Balance, end of year	31,996	22,499	-	-

(b)

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Corporate income tax charge/Minimum tax	70,729	106,847	30,843	67,778
Education levy	1,317	-	1,317	-
Information technology development levy	3,322	-	-	-
Police Trust Fund	17		-	-
Prior year over provision	-	(5,704)	-	-
	75,385	101,143	32,160	67,778
Deferred tax credit - OCI	-	(54,119)	-	(54,119)
Deferred tax credit - PL	(132,336)	(291,845)	(132,336)	(291,845)
Total tax credit for the year	(56,951)	(244,821)	(100,176)	(278,186)

(c) Reconciliation of effective tax rate

	Tax rate	Group 2020 31-Dec N'000	Tax rate	Group 2019 31-Dec N'000	Tax rate	Company 2020 31-Dec N'000	Tax rate	Company 2019 31-Dec N'000
Profit/(Loss) before Tax		1,145,209		23,625		115,316		(533,049)
Income tax using the domestic corporation tax rate	30%	343,563	30%	56,170	30%	34,595	30%	(159,915)
Effect of tax rate in foreign jurisdictions	3%	36,971	46%	86,475	0%	-	0%	-
Non deductible expense	(35)%	(403,220)	0%	(285,628)	(249)%	(287,604)	54%	(285,628)
Tax exempt income	19%	222,449	0%	312,873	193%	222,449	(59)%	312,873
Minimum tax	(6)%	(70,729)	(57)%	(106,847)	(27)%	(30,843)	13%	(67,778)
Prior year over provision	0%	-	(0)%	(5,704)	0%	-	0%	-
Information technology tax levy and PTF	(0)%	(3,339)	0%	-	0%	-	0%	-
Tertiary education tax	(0)%	(1,317)	(0)%	-	(1)%	(1,317)	0%	-
Exempted permanent differences	102%	(181,329)	156%	(248,041)	(32)%	(37,456)	4%	(23,619)
	113%	(56,951)	30%	(190,702)	(87)%	(100,176)	30%	(224,067)

27 Share capital

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Authorized:				
30,000,000,000 units ordinary shares of 50k each (2019: 17,000,000,000 units ordinary shares of 50k each	15,000,000	8,500,000	15,000,000	8,500,000
Issued and fully paid:				
23,991,903,992 units of ordinary shares of 50k each (2019: 13,382,738,248 ordinary shares of 50k each)	11,995,952	6,691,369	11,995,952	6,691,369

During the year, the Board and shareholders approved the raising of additional capital through a Rights issue. A total of 10,609,165,744 units of Ordinary Shares of 50k each were sold at 38k to the existing shareholders in February 2020. The discount on the share issue was therefore deducted from the share premium account.

28 Share premium

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not available for distribution.

The movement in this account during the year is as follows:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	6,194,983	6,194,983	6,194,983	6,194,983
Share issue costs	(308,945)	-	(308,945)	-
Deduction from Share premium - Rights issue discount	(1,273,100)	-	(1,273,100)	-
Balance, end of year	4,612,938	6,194,983	4,612,938	6,194,983

29 (a) Contingency reserves

In accordance with Section 21 (1) of Insurance Act 2003, the contingency reserve is credited with the greater of 3% of total premiums, or 20% of the profits. This shall accumulate until the reserve reaches the amount of greater of minimum paid-up capital or 50 percent of net premium.

(b) The movement in this account during the year is as follows:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	2,832,197	2,436,203	2,374,532	2,053,249
Transfer from profit and loss	479,115	395,994	349,107	321,283
Balance, end of year	3,311,312	2,832,197	2,723,639	2,374,532

30 Other reserves

(a) Revaluation reserve

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	1,111,600	970,741	1,111,600	970,741
Revaluation surplus on property,plant and equipment	-	194,977	-	194,977
Deferred tax on revaluation	-	(54,119)	-	(54,119)
Balance, end of year	1,111,600	1,111,600	1,111,600	1,111,600

(b) Foreign currency translation reserve

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance, beginning of year	(106,757)	41,365	-	-
Changes during the year	259,968	(148,122)	-	-
Balance, end of year	153,211	(106,757)	-	-
(c) Fair value reserve				
Balance, beginning of year	(330,555)	(1,181,727)	(402,874)	(945,724)
Changes during the year	672,633	839,661	368,948	542,850
IFRS 9 Impairment	61,118	11,511	16,288	-
Balance, end of year	403,196	(330,555)	(17,639)	(402,874)
(d) Merger reserves				
Balance, beginning of year	(19,367)	(19,367)	(19,367)	(19,367)
Changes during the year	-	-	-	-
Balance, end of year	(19,367)	(19,367)	(19,367)	(19,367)
(e) Share of other comprehensive income of associates				
Balance, beginning of year	348,105	(2,977)	-	-
Changes during the year	552,998	351,082	-	-
Balance, end of year	901,103	348,105	-	-
Total	2,549,744	1,003,026	1,074,593	689,358

31 Retained earnings

The movement in this account during the year was as follows;

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Balance at 1 January 2020	1,798,050	1,979,717	(1,319,898)	(689,633)
Transfer from profit or loss	1,202,159	214,327	215,492	(308,981)
Transfer from FVOCI reserves	15,326	-	15,326	-
Share issue costs (subsidiary)	(37,510)	-	-	-
Transfer to contingency reserve (see note 29(b) above)	(479,115)	(395,994)	(349,107)	(321,283)
Balance, end of the year	2,498,910	1,798,050	(1,438,187)	(1,319,898)

32 Net premium income

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Gross Premium written	16,185,896	15,201,362	11,636,903	10,709,420
Short-term insurance contracts:				
– Gross premium	15,894,410	14,990,967	11,636,903	10,709,420
– Movement in unearned premium	1,124,525	698,576	700,305	1,140,523
– Movement in additional unexpired risk reserve (see note 21(d))	(16,606)	(3,402)	-	(30,738)
Long-term insurance contracts:				
– Gross premium	291,486	210,395	-	-
Premium revenue arising from insurance contracts issued	17,293,815	15,896,536	12,337,208	11,819,205
Short-term reinsurance contract:				
– Reinsurance expense	(9,780,656)	(8,076,376)	(8,463,606)	(6,840,814)
Long-term reinsurance contract:				
– Reinsurance expense	(153,537)	(7,174)	-	-
Reinsurance expenses	(9,934,193)	(8,083,550)	(8,463,606)	(6,840,814)
Net premium income	7,359,622	6,703,201	3,873,602	4,978,391

33 Fee and commission income

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Policy administration				
– Insurance contracts	2,109,390	1,665,323	1,750,144	1,386,629
Total	2,109,390	1,665,323	1,750,144	1,386,629

34 Claims expenses

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Insurance claims and loss adjustment expenses				
– Claims paid	3,743,924	4,043,239	1,862,827	2,026,140
– Changes in outstanding claims (note 21a)	3,165,875	33,333	3,091,860	201,230
Total claims and loss adjustment expense	6,909,799	4,076,572	4,954,687	2,227,370
Recoverable from reinsurance (note 11c)	(3,703,624)	(1,023,498)	(3,088,755)	(518,080)
Net insurance benefits and claims	3,206,175	3,053,074	1,865,932	1,709,290

35 Underwriting expenses

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Commission paid	2,451,965	2,168,555	1,844,631	1,735,176
Other acquisition cost	279,231	1,173,907	91,989	912,491
Changes in deferred acquisition cost (Note 12)	251,909	85,149	99,707	225,876
Total	2,983,105	3,427,611	2,036,327	2,873,543

36 Net investment income

(a) Investment income

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Dividend income	(1,381)	124,206	423,107	912,342
Interest income on fixed income securities	823,785	635,341	318,669	137,606
Interest income on cash and cash equivalents	52,802	85,919	33,221	26,999
Interest income on statutory deposits	49,842	64,431	29,829	34,657
Rental income	1,371	2,400	1,371	2,400
Total Investment income	926,419	912,297	806,196	1,114,003
Loss from sale of investment property	(4,245)	-	(4,245)	-
Net Investment income	922,174	912,297	801,951	1,114,003

(b) Profit on investment contracts

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Interest income	117,170	89,258	-	-
Other Income (Reversal of surplus reserves (see note 21(b)))	96,926	162,171	-	-
Guaranteed interest	(20,873)	(56,139)	-	-
	193,223	195,290	-	-

37 Net realised gains on financial assets

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Sale of FVOCI/available for sale financial assets:				
– Securities	67,218	-	65,647	-
Total	67,218	-	65,647	-

38 Net fair value gain on assets

(a) Fair value gain through profit or loss

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Fair value gain on investment property (see note 14(e))	-	1,300	-	1,300
Total	-	1,300	-	1,300

Net fair value gains on assets relate to financial assets categorised upon initial recognition at fair value through profit or loss and other assets recognised at fair value through profit or loss such as held for trading financial assets, financial assets through profit or loss and investment properties.

(b) Fair value gain/(loss) through other comprehensive income

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Fair value gain on equity securities (See note 9(a)(ii))	66,716	546,592	78,384	523,812
Net fair value gain on fixed income securities (See note 9(a)(iv))	586,711	293,070	271,357	9,435
Exchange gain on FVOCI equity securities (See not 9(a)(iii)(a))	34,532	-	34,532	-
Transfer to retained earnings on disposed FVOCI equity securities (See note 31)	(15,326)	-	(15,326)	-
Fair value gain on revaluation of property and equipment (See note 18)	-	194,977	-	194,977
ECL Impairment	61,118	11,511	16,288	9,604
Total	733,752	1,046,150	385,235	737,828

39 Other operating income

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Profit from sale of property and equipment	5,253	-	-	-
Other income received (a)	107,958	255,251	418,998	106,686
Net foreign exchange gain (b)	669,144	27,501	249,379	34,204
Total	782,355	282,752	668,377	140,889

(a) Other income received included income Value Added Tax (VAT) recoverable of N66 million and sundry income of N43 million for the Group.

(b) Included in net foreign exchange gain/(loss) is the exchange gain on Investment securities at FVOCI, investment securities at amortised cost and the realized gain/(loss) of N7m on the translation of domiciliary bank account balances as at year end.

40 Employee benefit expense

- Expense by nature

	Group	Group	Company	Company
	2020	2019	2020	2019
	31-Dec	31-Dec	31-Dec	31-Dec
	N'000	N'000	N'000	N'000
Staff cost	781,241	1,052,776	439,570	697,455
Pension cost	21,868	48,513	11,015	31,429
Staff training	93,173	60,048	57,662	29,920
Other staff cost	165,792	194,523	158,037	157,667
Total	1,062,074	1,355,860	666,284	916,472

41a Other operating expenses

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Depreciation (see note 18 & 19)	449,692	492,486	304,521	323,869
Amortization of intangible assets (see note 17)	154,494	134,879	153,601	133,261
Directors emoluments	74,212	111,224	28,846	45,600
Auditors remuneration	69,392	80,364	30,000	41,115
Professional fees:				
- Legal services fees	11,793	9,761	10,119	9,761
- Professional fee on actuarial services and tax advisory services	106,674	25,042	10,250	17,277
- Professional fees on advisory services	581,299	282,249	320,431	164,520
- Professional fees on corporate strategy development	4,078	57,563	2,769	33,275
Corporate branding and advert	340,652	13,977	184,171	12,693
Board expenses	36,616	72,451	33,698	72,451
Rent and rate	152,338	410,896	30,049	29,288
Insurance cost	25,990	18,320	14,088	12,889
Printing and stationaries	19,697	33,488	6,374	27,828
Newspapers and periodicals	656	1,088	427	922
Transport and tour	128,394	188,300	81,740	180,281
Support staff cost	277,900	452,579	152,121	211,912
Business marketing expenses	134,109	318,354	64,382	148,800
Subscription	14,484	18,890	10,741	14,748
Recruitment expense	25,370	8,770	12,910	7,797
Write off of assets (see (i) below)	448,000	283,982	117,000	283,982
Repairs and maintenance	501,529	396,552	369,975	304,344
Others	80,583	80,250	501	82,276
Annual general meeting expense	19,649	129,205	19,649	90,830
Registrar maintenance expense	66,157	78,418	66,157	78,418
Statutory dues and levies	178,985	190,539	121,003	151,843
Audit and performance review expense	18,205	8,148	12,928	7,743
Bank charges	44,579	81,564	37,863	54,581
Custodian fees	101,087	1,909	53,374	1,909
Donations	53,531	5,768	35,120	4,638
Corporate philanthropy	3,344	14,402	3,344	13,637
Total	4,123,491	4,001,419	2,288,150	2,562,490

(i)(a) For the Company :N117m, this relates to the impairment of the carrying amount of the Investment property, Hexagon Court, Ikeja, Lagos. Due to the judgement against the company, management has deemed it prudent to impair this balance pending the outcome of the appeal filed in court. See note 14(h).

(b) For the Group: N330m, this relates to unsubstantiated assets that have been fully written off after due approval from the Board of Directors.

		Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
41b	Total Management Expenses	5,185,565	5,357,279	2,954,435	3,478,962
41c	Intercompany borrowing costs (i)	-	-	-	96,861
	Total	-	-	-	96,861

(i) This relates to finance cost incurred on intercompany borrowings.

42 ECL (write back)/charge

		Group	Group	Company	Company
		2020	**2019**	**2020**	**2019**
		31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
		N'000	**N'000**	**N'000**	**N'000**
(a)	Net impairment losses on financial asset at amortised cost				
	- Cash and cash equivalent (see note 8)	602	(2,627)	774	(2,339)
	- Financial asset at amortised cost (see note 9c)	7,241	(195)	151	(5,228)
	- Reinsurance asset (see note 11)	1,333	1,201	-	706
	- Trade receivables	1,811	-	810	-
	- Other receivables & prepayment (see note 13b)	171,248	(16,115)	179,125	(5,743)
	Total	182,236	(17,736)	180,860	(12,604)

		Group	Group	Company	Company
		2020	**2019**	**2020**	**2019**
		31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
		N'000	**N'000**	**N'000**	**N'000**
(b)	ECL on financial assets at FVOCI	51,681	11,511	6,852	8,209
	Total	51,681	11,511	6,852	8,209

43 Earning per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the group by the weighted average number of ordinary shares in issue during the year, excluding own ordinary shares purchased by the Company. Diluted earnings per share is computed by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive ordinary shares.

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**
Profit/(loss) attributable to the Company's equity holders	1,202,159	214,327	215,492	(308,981)
Weighted average number of ordinary shares in issue (thousands)				
Issued ordinary shares at 1 January 2020	6,691,369	6,691,369	6,691,369	6,691,369
Net effect of bonus element and shares deemed to be issued at fair value	10,609,166	6,620,426	10,609,166	6,620,426
Weighted average number of ordinary shares in issue (thousands)	17,300,535	13,311,795	17,300,535	13,311,795
Basic earnings/(loss) per share (Kobo per share)	7	2	1	(2)

44 Staff information:

(a) Staff analysis:

i. Employees earning more than 1,000,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and other allowances) in the following ranges:

	Group 2020 31-Dec Number	Group 2019 31-Dec Number	Company 2020 31-Dec Number	Company 2019 31-Dec Number
N1,000,001 – N2,000,000	-	-	-	-
N2,000,001 – N3,000,000	33	39	18	14
N3,000,000 – N4,000,000	19	17	12	12
N4,000,001 – N5,000,000	50	35	31	22
N5,000,001 – N10,000,000	13	30	8	21
Above N10,000,000	17	13	10	15
Total	132	134	79	84

ii. The average number of full time persons employed by the Company during the year was as follows:

	Group 2020 31-Dec Number	Group 2019 31-Dec Number	Company 2020 31-Dec Number	Company 2019 31-Dec Number
Management staff	5	15	2	10
Non management staff	127	119	77	74
Total	132	134	79	84

(b) Directors' remuneration:
i. Remuneration paid to the directors of the Company was as follows:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Directors' fees and sitting allowances	74,212	111,224	28,846	45,600
Other directors' expenses	122,708	166,582	79,535	153,330
Total	196,920	277,806	108,380	198,930

ii. The directors' remuneration shown above includes:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Chairman	3,600	3,600	2,100	2,100
Highest paid director	36,043	36,043	36,043	36,043

iii. The emoluments of all other directors fell within the following range:

	Group	Group	Company	Company
	2020	**2019**	**2020**	**2019**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**
	Number	**Number**	**Number**	**Number**
N200,001 - N500,000	-	-	-	-
N500,001 - N5,000,000	-	-	-	-
N5,000,001 - N10,000,000	-	-	-	-
N10,000,001 - N20,000,000	9	9	9	9
Total	11	11	11	11

45 Contravention of laws and regulations

The Group paid no fine this year (31 December 2019: Nil).

46 Litigations and claims

The Group in the ordinary course of business is presently involved in 12 (2019: 12) litigation cases while the Company is involved in 11 (2019: 11) litigation cases. There was no other contingent liabilities against the Group and Company at the reporting date. (2019: Nil).

Based on the advice of the solicitors, the Directors of the Company are of the opinion that none of the cases is likely to have material adverse effect on the Company and they are not aware of any other pending and or threatened claims or litigation which may be material to the financial statements.

47 Events after the end of the reporting period

Nil

48 Dividend

There was no proposal for dividend in respect of the year ended 31 December 2020 (31 December 2019: Nil)

50 Related parties

a) Parent
Coronation Insurance Plc is the parent Company of the Coronation Insurance Group.

b) Subsidiaries
The Company has two wholly owned subsidiaries as at 31 December 2020. These are Coronation Life Assurance Limited, domiciled in Nigeria and Coronation Insurance (Ghana) Limited incorporated in Ghana. Transactions between Coronation Insurance Plc and the subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

c) Associate
The Company has two associate company as at 31 December 2020, Coronation Merchant Bank Limited where it has 25.5% (2019: 25.5%) holding and Coronation Securities Limited where it has 25.5% holding (2019: 25.5%). Transactions between Coronation Insurance Plc and the associate also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the consolidated financial statements.

d) Transactions with key management personnel
The Group's key management personnel and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel is defined as members of the board of directors of the Company, including their close members of family and any entity over which they exercise control. Close members of family are those who may be expected to influence, or be influenced by that individual in dealings with Coronation Insurance Plc. and its subsidiaries.

e) Key management personnel compensation
The compensation of key management personnel comprised the following:

	Group 2020 31-Dec N'000	Group 2019 31-Dec N'000	Company 2020 31-Dec N'000	Company 2019 31-Dec N'000
Short term employees benefits	250,535	313,487	237,283	301,996
Total	250,535	313,487	237,283	301,996

f) Key management personnel and director transactions

Key management personnel engaged in the following transactions with the Company during the year:

Directors	Transactions	Transaction values for the year ended 31-Dec 2020 N'000	Transaction values for the year ended 31-Dec 2019 N'000	Balance outstanding as at 31-Dec 2020 N'000	Balance outstanding as at 31-Dec 2019 N'000
(i) Income received/receivable from key management personnel:					
Mr Bababode Osunkoya	Insurance premium	465	957	-	-
Mrs Ifeyinwa Osime	Insurance premium	-	499	-	-
Mr Barnabas Olise	Insurance premium	150		-	-
Mr Adamu Mahmoud Atta	Insurance premium	-	5	-	-
Ms Chizoba Ufoeze	Insurance premium	-	54	-	-
Mr. Peter Ehinmen	Insurance premium	67	46	-	-
Mr. Olusegun Ogbonnewo	Insurance premium	157	10	-	-
Mr. Mutiu Summonu	Insurance premium	-	170	-	-
Mrs Adeyinka Adekoya	Insurance premium	228	-	-	-
Mr. Aigboje Aig-Imoukhuede	Insurance premium	1,020	-	-	-
Mr Peter Ehimhen	Insurance premium	-	-	-	-
Total		2,087	1,741	-	-

(ii) Loans and advances to key management personnel:

Mr. Bode Ojeniyi	Loans and advances	-	-	-	58,798
Total		-	-	-	58,798

g) Other related party transactions

Transactions with key management personnel's related persons and entities as at end of year:

Entities	Relationship	Transactions	Transaction values for the year ended 31-Dec 2020 N'000	Transaction values for the year ended 31-Dec 2019 N'000	Balance outstanding as at 31-Dec 2020 N'000	Balance outstanding as at 31-Dec 2019 N'000
(i) Income received/receivable related entities:						
Coronation Merchant Bank	Associate company	Insurance	26,471	23,549	-	-
Coronation Securities Limited	Associate company	Insurance premium	4,736	30	-	-
Petralon Energy	Common director	Insurance premium	-	-	-	-
Cornation Capital Limited	Common director	Insurance premium	9,302	18,845	-	-
Coronation Merchant Bank Limited	Associate company	Interest income	877	14,736	-	-
Coronation Asset Management	Common director	Insurance premium	9,799	3,226	-	-
Coronation Nomiees and Trustee Limited	Common director	Insurance premium	-	-	-	-
Trium Networks Limited	Common director	Insurance premium	2,350	290		
Tengen Holdings	Common director	Insurance premium	2,772	1,323	-	-
Coronation Life Assurance Limited	Subsidiary	Rental income	939,751	996,705		
Total			996,059	1,058,704	-	-
(ii) Expense paid/payable to related entities:						
Coronation Merchant Bank Limited	Common director	Claims expense	6,101	2,680	-	-
Coronation Securities Limited	Common director	Brokerage service and professional fee	-	138	-	-
Coronation Capital Limited	Common director	Consultancy Fee	214,881	105,000	-	-
Coronation Capital Limited	Common director	Claims expense	-	70	-	-
Coronation Merchant Bank Limited	Common director	Consultancy Fee	-	-	-	-
Coronation Nomiees and Trustee Limited	Common director	Claims expense	102	102	-	-
Coronation Global Products & Service Limited (GPS)	Common director	Management Consulting fee	42,215			
Trium Networks Limited	Common director	Management Consulting fee	30,155	30,155		
Coronation Life Assurance Limited	Subsidiary	Claims expense	1,575	1,575	-	-
Coronation Life Assurance Limited	Subsidiary	Interest expense	96,861	96,861		
Mr. Aigboje Aig-Imoukhuede	Common director	Claims expense	-	-	-	-
Mr Adamu Mahmoud Atta	Common director	Claims expense		242	-	-
Total			391,890	236,823	-	-
(iii) Cash and cash equivalents						
Coronation Merchant Bank Limited	Common director	Money market placement	-	-	92,046	153,971
Total			-	-	92,046	153,971

APPENDIX TO FINANCIAL STATEMENTS

(OTHER NATIONAL DISCLOSURES)

Hypothecation

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the in the long- term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Group's assets and liabilities are allocated as follows:

Group- 31 December 2020

	Insurance contract		**Investment contract**		**Shareholders funds**		**Total**
	Non life	Life	Non life	Life	Non life	Life	
In thousands of Naira							
ASSETS							
Cash and cash equivalents	1,048,850	1,218,192	-	52,477	89,269	516	2,409,304
Financial assets at fair value through P (	-	-	-	-	-	-	-
Financial assets at fair value through O(	3,390,594	2,428,759		1,181,381		4,561,044	11,561,778
Financial assets at amortised cost	411,206	271,103			1,065,030	1,402,578	3,149,918
Trade receivables	-	-	-	-	56,540	13,665	70,205
Reinsurance assets	4,172,546	722,877	-	-	-	-	4,895,423
Deferred acquisition cost	-	-	-	-	358,853	51,240	410,093
Other receivables and prepayments	-	-	-	-	464,648	200,207	664,855
Investment property	76,000	-	-	-	4,480	-	80,480
Investment in associates	-	-	-	-	11,199,306	-	11,199,306
Investment in subsidiaries	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	477,320	35,786	513,106
Property and equipment	-	-	-	-	3,261,913	190,036	3,451,949
Right of use of Asset	-	-	-	-	(787,992)	939,750	151,758
Deferred tax asset	-	-	-	-	438,322	-	438,322
Company Income tax assets	-				31,996		31,996
Statutory deposit		-	-	-	495,070	200,000	695,070
TOTAL ASSETS	9,099,197	4,640,931	-	1,233,858	17,154,755	7,594,823	39,723,562
LIABILITIES							
Insurance contract liabilities	7,066,561	2,743,876	-	-		-	9,810,437
Investment contract liabilities	-	-	-	1,255,707	-	-	1,255,707
Trade payables	-	-	-	-	136,939	257,522	394,461
Other payables	-	-	-	-	1,937,866	406,997	2,344,863
Current income tax	-	-	-	-	43,359	111,900	155,259
Lease Liability	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-
TOTAL LIABILITIES	7,066,561	2,743,876	-	1,255,707	2,118,165	776,419	13,960,728
GAP	2,032,636	1,897,055	-	(21,849)	15,036,590	6,818,404	25,762,834

Hypothecation

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the in the long- term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Group's assets and liabilities are allocated as follows:

Group- 31 December 2019

	Insurance contract		Investment contract		Shareholders funds		Total
	Non life	Life	Non life	Life	Non life	Life	
In thousands of Naira							
ASSETS							
Cash and cash equivalents	474,199	479,439	-	87,050	56,141	55,669	1,152,498
Financial assets	2,232,493	1,958,565	-	1,172,879	1,401,481	2,303,858	9,069,276
Trade receivables	-	-	-	-	24,950	35,266	60,216
Reinsurance assets	2,467,912	713,055	-	-	-	-	3,180,967
Deferred acquisition cost	-	-	-	-	460,583	203,442	664,025
Other receivables and prepayments	-	-	-	-	1,118,433	396,396	1,514,829
Investment property	186,000	-	-	-	68,780	-	254,780
Investment in associates	-	-	-	-	9,753,691	-	9,753,691
Intangible assets	-	-	-	-	494,009	15,077	509,086
Property and equipment	858,493	-	-	-	2,366,203	209,276	3,433,972
Right of use assets	-	-	-	-	182,273	-	182,273
Deferred tax asset	-	-	-	-	305,986	-	305,986
Current Income tax assets	-	-	-	-	22,500	-	22,500
Statutory deposit	-	-	-	-	436,420	200,000	636,420
TOTAL ASSETS	6,219,097	3,151,059	-	1,259,929	16,691,450	3,418,984	30,740,519
LIABILITIES							
Insurance contract liabilities	5,954,994	2,743,876	-	-	-	-	8,698,870
Investment contract liabilities	-	-	-	1,255,707	-	-	1,255,707
Trade payables	-	-	-	-	40,224	257,522	297,746
Provisions and other payables	-	-	-	-	1,271,553	406,997	1,678,550
Current income tax	-	-	-	-	80,156	111,900	192,056
Lease liability	-	-	-	-	102,965	-	102,965
TOTAL LIABILITIES	5,954,994	2,743,876	-	1,255,707	1,494,898	776,419	12,225,894
GAP	264,103	407,183	-	4,222	15,196,551	2,642,565	18,514,625

Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the in the long- term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities are allocated as follows:

Company- 31 December 2020

	Insurance contract	Shareholders funds	Total
In thousands of Naira			
ASSETS			
Cash and cash equivalents	747,822	89,269	837,091
Financial assets at fair value through P or L	-		-
Financial assets at fair value through OCI	3,153,204	153,888	3,307,092
Financial assets at amortised cost	411,206		411,206
Trade receivables	-	57,542	57,542
Reinsurance assets	3,615,541	-	3,615,541
Deferred acquisition cost	-	273,245	273,245
Other receivables and prepayments	-	586,741	586,741
Investment properties	76,000	4,480	80,480
Investment in associates	-	5,423,440	5,423,440
Investment in subsidiaries	-	9,259,506	9,259,506
Intangible assets		364,227	364,227
Property, plant and equipment	-	3,199,229	3,199,229
Deferred tax asset	-	438,322	438,322
Statutory deposit	-	300,000	300,000
TOTAL ASSETS	8,003,773	20,149,889	28,153,661
LIABILITIES			
Insurance contract liabilities	7,066,561	-	7,066,561
Investment contract liabilities	-	-	-
Trade payables	-	136,939	136,939
Provisions and other payables	-	1,937,866	1,937,866
Current income tax liabilities	-	43,359	43,359
TOTAL LIABILITIES	7,066,561	2,118,165	9,184,726
GAP	937,212	18,031,724	18,968,935

Hypothecation
The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long- term its investment proceeds will not be sufficient to fund the obligations arising from its insurance and investment contracts. In response to the risk, the Company's assets and liabilities are allocated as follows:

Company- 31 December 2019

	Insurance contract	Shareholders funds	Total
In thousands of Naira			
ASSETS			
Cash and cash equivalents	474,199	31,866	506,065
Financial assets	2,232,492	109,332	2,341,824
Trade receivables	-	24,950	24,950
Reinsurance assets	1,802,452	-	1,802,452
Deferred acquisition cost	-	372,952	372,952
Other receivables and prepayments	-	1,187,839	1,187,839
Investment properties	193,000	61,780	254,780
Investment in associates	-	5,423,440	5,423,440
Investment in subsidiaries	-	5,360,915	5,360,915
Intangible assets	-	486,088	486,088
Property, plant and equipment	-	3,189,119	3,189,119
Deferred tax asset	-	305,986	305,986
Statutory deposit	-	300,000	300,000
TOTAL ASSETS	4,702,143	16,854,267	21,556,410
LIABILITIES			
Insurance contract liabilities	4,675,005	-	4,675,005
Trade payables	-	37,921	37,921
Provisions and other payables	-	2,132,980	2,132,980
Current income tax liabilities	-	80,158	80,158
Deferred tax liabilities	-	-	-
TOTAL LIABILITIES	4,675,005	2,251,059	6,926,064
GAP	27,138	14,603,208	14,630,346

Value Added Statement

For the year ended 31 December 2020

	Group		Group		Company		Company	
	2020		2019		2020		2019	
	31-Dec		31-Dec		31-Dec		31-Dec	
	N'000	%	N'000	%	N'000	%	N'000	%
Net premium income - Nigeria	6,374,144		7,003,719		3,873,602		4,978,392	
- Foreign	985,479		809,266		-		-	
Investment Income - Nigeria	1,009,895		988,278		867,599		1,115,304	
- Foreign	172,718		120,609		-		-	
Other income - Nigeria	693,012		88,179		668,377		140,889	
- Foreign	89,343		194,572		-		-	
Claims incurred, net commissions and operating expenses								
- Nigeria	(5,855,695)		(6,441,802)		(4,169,856)		(5,394,031)	
- Foreign	(657,428)		(751,163)		-		-	
Value added	**2,811,469**		**2,011,658**	**100**	**1,239,722**		**840,554**	**100**
Applied to pay								
Employee benefit expense	1,062,074	38	1,355,860	67	666,284	54	916,472	109
Government taxes	(56,951)	(2)	(190,702)	(9)	(100,176)	(8)	(224,067)	(27)
Retained in the business:								
Depreciation of property and equipment	449,692	16	497,293	25	304,521	25	323,869	39
Amortisation of intangible assets	154,494	5	134,879	7	153,601	12	133,261	16
To augment contingency reserve	479,115	17	395,994	20	349,107	28	321,283	38
(Depletion)/augmentation of reserves	723,044	26	(181,667)	(9)	(133,615)	(11)	(630,264)	(75)
Value added	**2,811,469**	**100**	**2,011,658**	**100**	**1,239,722**	**100**	**840,554**	**100**

Financial summary

Statement of financial position

	Group	Group	Group	Group	Group	Company	Company	Company	Company	Company
	2020	**2019**	**2018**	**2017**	**2016**	**2020**	**2019**	**2018**	**2017**	**2016**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Assets										
Cash and cash equivalents	2,409,304	1,152,498	2,888,235	1,745,342	2,220,395	837,091	506,065	2,056,736	911,023	311,223
Financial assets	14,711,696	9,069,275	7,844,195	9,495,935	7,401,489	3,718,298	2,341,825	2,222,923	4,356,929	3,429,338
Trade receivables	70,181	60,216	34,962	707,489	553,575	57,518	24,950	34,962	486,997	553,574
Reinsurance assets	4,868,100	3,180,967	3,692,142	1,586,301	1,572,830	3,615,541	1,802,452	2,187,984	838,139	1,094,415
Deferred acquisition cost	410,093	664,025	749,174	530,793	447,934	273,245	372,952	598,828	317,832	281,344
Other receivables and prepayments	692,201	1,514,829	1,435,324	1,061,531	1,145,019	586,765	1,187,839	1,017,312	871,238	1,137,047
Investment in associates	11,199,306	9,753,691	8,763,246	8,264,440	7,173,843	5,423,440	5,423,440	5,059,810	5,059,810	5,059,810
Investment in subsidiaries	-	-	-		-	9,259,506	5,360,915	5,360,915	3,876,571	3,876,571
Investment property	80,480	254,780	253,480	312,750	539,930	80,480	254,780	253,480	312,750	539,930
Deferred tax asset	438,322	305,986	68,260	-	-	438,322	305,986	68,260	-	-
Property, plant and equipment	3,451,949	3,433,972	3,481,328	3,787,381	4,025,510	3,199,229	3,189,119	3,256,892	3,521,507	3,811,639
Right of use asset	151,758	187,273								
Intangible assets	513,106	509,087	481,009	479,683	203,896	364,227	486,088	465,961	476,144	199,171
Statutory deposit	695,070	636,420	638,044	632,964	617,632	300,000	300,000	300,000	300,000	300,000
Current income tax asset	31,996	22,500	34,191.79	-						
Total assets	39,723,562	30,745,519	30,363,591	28,604,609	25,902,053	28,153,662	21,556,411	22,884,063	21,328,940	20,594,062
Equity and Liabilities:										
Liabilities										
Insurance contract liabilities	10,904,867	8,698,870	9,621,473	7,141,465	6,373,682	7,066,561	4,675,005	5,629,277	3,817,332	3,763,964
Investment contract liabilities	1,120,526	1,255,707	1,170,785	1,063,860	920,154	-	-	-	-	-
Trade payables	201,665	297,746	255,384	516,371	235,800	136,939	37,921	162,970	415,414	157,870
Provisions and other payables	2,268,485	1,678,550	1,946,741	1,458,748	1,320,043	1,937,867	2,132,980	2,697,095	1,417,790	1,157,450
Lease liability	83,163	102,965								
Deferred income tax liabilities	-	-	-	202,547	277,657	-	-	-	202,548	393,175
Current income tax liabilities	176,000	192,056	258,901	263,793	208,382	43,359	80,158	139,103	115,315	88,114
Total liabilities	14,754,706	12,225,894	13,253,284	10,646,784	9,335,718	9,184,727	6,926,064	8,628,445	5,968,399	5,560,573
Equity attributable to parent company										
Share capital	11,995,952	6,691,369	6,691,369	6,691,369	6,691,369	11,995,952	6,691,369	6,691,369	6,691,369	6,691,369
Share premium	4,612,938	6,194,983	6,194,983	6,194,983	6,194,983	4,612,938	6,194,983	6,194,983	6,194,983	6,194,983
Contingency reserves	3,311,312	2,832,197	2,436,203	2,061,153	1,807,949	2,723,639	2,374,532	2,053,249	1,742,067	1,550,425
Other reserves	2,549,744	1,003,026	(191,965)	941,704	1,209,743	1,074,593	689,358	5,650	671,027	788,338
Retained earnings	2,498,910	1,798,050	1,979,717	2,068,616	662,291	(1,438,187)	(1,319,896)	(689,633)	61,095	(191,626)
Total Equity	24,968,856	18,519,625	17,110,307	17,957,825	16,566,335	18,968,935	14,630,346	14,255,618	15,360,541	15,033,489
Total Liabilities and Equity	39,723,562	30,745,519	30,363,591	28,604,609	25,902,053	28,153,662	21,556,410	22,884,063	21,328,940	20,594,062

Statement of profit or loss and other comprehensive income

	Group	Group	Group	Group	Group	Company	Company	Company	Company	Company
	2020	**2019**	**2018**	**2017**	**2016**	**2020**	**2019**	**2018**	**2017**	**2016**
	31-Dec	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**	**31-Dec**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Gross premium written	16,185,896	15,201,362	13,892,484	9,807,616	7,100,713	11,636,903	10,709,420	10,372,722	6,388,069	5,212,600
Net underwriting income	9,469,013	9,478,309	7,604,335	6,334,927	4,370,306	5,623,746	6,365,020	5,100,182	4,223,466	3,067,264
Total underwriting expenses	(6,177,751)	(6,552,803)	(5,453,885)	(4,798,790)	2,892,613	(3,902,258)	(4,582,833)	(3,657,889)	(3,025,059)	1,873,087
Underwriting profit	3,291,262	2,925,506	2,150,450	1,536,137	1,477,693	1,721,488	1,782,187	1,442,293	1,198,407	1,194,177
Total investment income	1,964,970	1,391,639	1,831,907	3,130,472	2,893,778	1,535,975	1,256,193	1,338,378	2,214,804	2,207,035
Net income	5,256,232	4,317,145	3,982,357	4,666,609	4,371,471	3,257,463	3,038,379	2,780,671	3,413,211	3,401,212
Expenses	(5,428,644)	(5,357,886)	(4,938,638)	(4,432,116)	3,468,246	(3,142,147)	(3,571,428)	(3,382,854)	(3,182,586)	2,364,884
Profit before tax	1,145,209	23,625	187,234	1,622,691	1,667,662	115,316	(533,049)	(602,183)	230,625	1,036,327
Income tax expense	56,951	190,702	163,959	(91,881)	(370,277)	100,176	224,067	184,910	85,019	(412,142)
Profit after tax	1,202,159	214,327	351,193	1,530,810	1,297,385	215,492	(308,981)	(417,273)	315,644	624,185
Other comprehensive income:										
Items that are or may be reclassified to profit or loss:										
Foreign currency translation difference of foreign operations	259,968	(148,122)	(46,490)	(27,610)	(209,654)	-	-	-	-	-
Net changes in fair value of AFS financial instruments:										
- Unrealised net gains/(losses) arising during the period	586,711	304,581	(271,928)	(7,292)	(116,437)	271,357	19,039	(168,301)	11,408	(116,437)
- Net reclassification adjustments for realised net gains/(loses)	61,118	-	-	(128,719)	(325,143)	16,288	-	-	(128,719)	(325,143)
Share of other comprehensive income of associates	552,998	351,082	(258,342)	(104,418)	115,525	-	-	-	-	-
Items will not be reclassified to profit or loss:										
Revaluation gain on property and equipment, net of tax	-	194,977	-	-	-	-	194,977	-	-	-
Fair value gain/(loss) on equity securities during the period	66,716					78,384				
Net reclassification adjustments for disposed FVOCI Equities	(15,326)					(15,326)				
Deferred tax on revaluation gain on property and equipment	-	(54,119)	-	-	-	-	(54,119)	-	-	-
Total comprehensive income for the year	2,748,877	1,409,319	(802,699)	1,262,771	761,676	600,727	374,728	(1,094,049)	198,333	182,605
Earnings per share (basic)	7	2	3	11	10	1	(2)	(3)	2	5